



Minimum Wage Developments in New York

As 2016 quickly approaches, New York employers must prepare for scheduled minimum wage increases that will take effect December 31, 2015. Please note the following:

- **ALL EMPLOYEES:** On December 31, 2015, the minimum wage in New York will increase to \$9.00 per hour and the overtime rate for non-exempt employees will correspondingly increase to \$13.50 per hour.
- **TIPPED EMPLOYEES IN THE RESTAURANT AND HOSPITALITY INDUSTRY:** The tip credit that employers are permitted to take from the minimum wage is being reduced to \$1.50 per hour for *all* tipped restaurant and hotel employees (New York is doing away with the distinctions between service workers (e.g., delivery persons), food service workers (e.g., servers, bussers, etc.) and resort hotel employees for the purpose of the tipped minimum wage). Accordingly, effective December 31, 2015, the “tipped minimum wage” for all tipped restaurant and hospitality employees will increase to \$7.50 per hour. The overtime rate for tipped employees will correspondingly increase to \$12.00 per hour.
 - If NYC passes a higher minimum wage than the state minimum wage, there will be an additional \$1.00 increase in the “tipped minimum wage” in the City, to \$8.50 per hour.
 - Do not forget to complete and distribute your Wage Theft Prevention Forms (the 195(1) forms). Please remember that the form is technical and for tipped employees, you will be paying the minimum wage (\$9), and taking an allowance/credit of \$1.50. We have established special forms to assist the restaurant industry with compliance; please contact us if you need forms.
- **FAST FOOD WORKERS:** The New York Commissioner of Labor has issued an order that will increase the wages of fast food workers to \$15.00 per hour by 2021. The first wage increase will take effect December 31, 2015, increasing the minimum wage for fast food workers to \$10.50 in New York City and to \$9.75 in the rest of the state. The “fast food minimum wage” would apply to all workers in fast food restaurants that are part of chains with at least 30 outlets.

We will alert you if New York City passes a higher minimum wage and any future minimum wage developments. In the meantime, if you have questions or would like additional information, please contact Amanda M. Fugazy (afugazy@egsllp.com), Paul P. Rooney (prooney@egsllp.com), Valerie J. Bluth (vbluth@egsllp.com) or the primary EGS attorney with whom you work.

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