



CLIENT ALERT

Minimum Wage Developments in New York - 2017

As 2017 quickly approaches, New York employers must prepare for scheduled minimum wage increases that will take effect December 31, 2016. Unlike in previous years, the applicable increased minimum wage will vary based upon where the employee is located and the size of the employer. Please note the following new minimum wage and overtime rates:

All Employers

Beginning December 31, 2016, the minimum wage and corresponding overtime rate will depend on the location of the employer's business and/or the size of the employer, as follows:

NYC employers with 11 or more employees:

Minimum Wage	Overtime Rate
\$11.00	\$16.50

NYC Employers with 10 or fewer employees:

Minimum Wage	Overtime Rate
\$10.50	\$15.75

Nassau / Suffolk / Westchester – All Employers

Minimum Wage	Overtime Rate
\$10.00	\$15.00

Rest of State (Outside NYC, Nassau, Suffolk & Westchester)

Minimum Wage	Overtime Rate
\$9.70	\$14.55

Tipped Employees - Restaurant/Hospitality Industry

Employers in the restaurant/hospitality industry may continue to pay tipped employees a tipped minimum wage of \$7.50 per hour. However, beginning on December 31, 2016, the amount of the tip credit that may be taken by employers in the hospitality industry will differ based on the employer's location and accordingly different overtime rates will apply, as follows:

NYC Employer – 11 or more employees:

Minimum Wage	Tipped Minimum Wage	Tip Credit	Tipped Overtime Rate
\$11.00	\$7.50	\$3.50	\$13.00

NYC Employer – 10 or fewer employees:

Minimum Wage	Tipped Minimum Wage	Tip Credit	Tipped Overtime Rate
\$10.50	\$7.50	\$3.00	\$12.75

Nassau / Suffolk / Westchester – All Employers:

Minimum Wage	Tipped Minimum Wage	Tip Credit	Tipped Overtime Rate
\$10.00	\$7.50	\$2.50	\$12.50

Rest of State (Outside NYC, Nassau, Suffolk & Westchester):

Minimum Wage	Tipped Minimum Wage	Tip Credit	Tipped Overtime Rate
\$9.70	\$7.50	\$2.20	\$12.35

Tipped Employees - Other Industries

Employers outside the restaurant/hospitality industry will still be entitled to take a tip credit of \$1.35 an hour for an employee whose weekly average of tips received is between \$1.35 and \$2.20 per hour, and \$2.20 per hour for an employee whose weekly average of tips received is \$2.20 per hour or more, as they do now. However, the minimum wage that must be paid to these tipped employees and therefore the overtime rate will increase beginning on December 31, 2016, as follows:

NYC Employer – 11 or more employees:

Minimum Wage	Tipped Minimum Wage - \$1.35/Hr Credit	Overtime Rate - \$1.35/Hr Credit	Tipped Minimum Wage - \$2.20/Hr Credit	Overtime Rate - \$2.20/Hr Credit
\$11.00	\$9.65	\$15.15	\$8.80	\$14.30

NYC Employer – 10 or fewer employees:

Minimum Wage	Tipped Minimum Wage - \$1.35/Hr Credit	Overtime Rate - \$1.35/Hr Credit	Tipped Minimum Wage - \$2.20/Hr Credit	Overtime Rate - \$2.20/Hr Credit
\$10.50	\$9.15	\$14.40	\$8.30	\$13.55

Nassau / Suffolk / Westchester – All Employers

Minimum Wage	Tipped Minimum Wage - \$1.35/Hr Credit	Overtime Rate - \$1.35/Hr Credit	Tipped Minimum Wage - \$2.20/Hr Credit	Overtime Rate - \$2.20/Hr Credit
\$10.00	\$8.65	\$13.65	\$7.80	\$12.80

Rest of State (Outside NYC, Nassau, Suffolk & Westchester)

Minimum Wage	Tipped Minimum Wage - \$1.35/Hr Credit	Overtime Rate - \$1.35/Hr Credit	Tipped Minimum Wage - \$2.20/Hr Credit	Overtime Rate - \$2.20/Hr Credit
\$9.70	\$8.35	\$13.20	\$7.50	\$12.35

Fast Food Workers

The “fast food minimum wage” applies to workers in fast food restaurants that are part of chains with at least 30 outlets. The following minimum wage and overtime rates apply to “fast food” workers beginning December 31, 2016:

NYC Fast Food Employers

Fast Food Minimum Wage	Fast Food Overtime Rate
\$12.00	\$18.00

Fast Food Employers – Outside NYC

Fast Food Minimum Wage	Fast Food Overtime Rate
\$10.75	\$16.13

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Please remember to complete and distribute your Wage Theft Prevention Forms (the 195.1 forms) for the new pay rates.

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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