



LABOR & EMPLOYMENT PRACTICE GROUP

Meltzer Lippe is home to a large, experienced Labor and Employment Law Practice Group.

We are an integral component to the human resource chain and the first stop before taking action that impacts the employee – employer relationship.

Exclusively representing management, our attorneys are indispensable advisors to senior executives and the HR team. While some business owners and companies rely on our experience and depth to supplement in-house general counsel expertise, others lean on us to resolve their labor disruptions or employ our tenacity in collective bargaining.

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Upcoming Minimum Wage Increases for 2024

The New Year is approaching and with it comes minimum wage increases that affect all employers. First, effective January 1, 2024, New York State's minimum wage will increase to \$16 per hour for New York City and Nassau, Suffolk, and Westchester Counties. New York State minimum wage will also increase to \$15 per hour for the rest of the State. Please be advised that the New York State budget legislation provides further fifty cent increases per year effective January 1, 2025 and January 1, 2026. The State Department of Labor also issued proposed regulations to amend existing "wage orders" which would change the "tip credit" for the hospitality industry effective January 1, 2024 as follows:

Food Service Workers (New York City, Westchester, Long Island)

- Minimum wage = \$16 per hour
- Cash Wage = \$10.65 per hour
- Overtime Cash Wage = \$18.65 per hour
- Tip Credit = \$5.35 per hour

Food Service Workers (rest of New York)

- Minimum Wage = \$15 per hour
- Cash Wage = \$10 per hour
- Overtime Cash Wage = \$17.50 per hour
- Tip Credit = \$5 per hour

Service Employees (other than Food Service) (New York City, Westchester, Long Island)

- Minimum Wage = \$16 per hour
- Cash Wage = \$13.35 per hour
- Overtime Cash Wage = \$21.35
- Tip Credit = \$2.65 per hour

Service Employees (other than Food Service) (rest of New York)

- Minimum Wage = \$15 per hour
- Cash Wage = \$12.50 per hour
- Overtime Cash Wage = \$20 per hour
- Tip Credit = \$2.50 per hour

Additionally, the New York State Department of Labor has proposed increasing the minimum salary threshold for exempt administrative and executive salaried employees. While the amounts have not yet been finalized, the salary basis threshold has historically equaled 75 times the minimum wage. The proposed minimum salary for 2024 for such exempt employees in New York City, Long Island, and Westchester is \$1,200/week (\$62,400/year) and \$1,124.20/week (\$58,458.40/year) for the rest of the State. The proposed amendments increase the 2025 minimum salary basis to \$1,237.50/week (\$64,350/year) for New York City, Long Island, and Westchester and \$1,161.65/week (\$60,405.80/year) for the remainder of the State. The proposed increase for 2026 is \$1,275/week (\$66,300/year) for New York City, Long Island, and Westchester and \$1,199.10/week (\$62,353.20/year) for the rest of New York. These numbers are subject to change in accordance with the New York State Department of Labor's final rule.

Also effective March 13, 2024, Article 6 of the New York State Labor Law, which governs the method and frequency of wage payments to employees, will be amended to increase the salary threshold to \$1,300/week (\$67,600 annually) with respect to certain exemptions under Article 6. Under the amended law, employers will be exempt from paying individuals employed in a bona fide executive, administrative, or professional capacity, who meet the new salary requirement, not less frequently than semi-monthly, obtaining advance written consent of such employees prior to issuing payments via direct deposit, and from criminal penalties for failing to provide benefits or wage supplements within 30 days after they are due. This new salary threshold is separate from, and unrelated to, the determination of exempt status with respect to the New York State's Labor Law minimum wage and overtime requirements previously mentioned.

As it relates to the federal labor law, effective January 1, 2024, the minimum wage for certain federal contractors will increase to \$17.20 per hour. Finally, the U.S. Department of Labor has issued proposals to amend the Fair Labor Standards Act's regulations, including increasing the standard exempt employee salary level to \$1,059 per week (\$55,068 per year) and the total annual compensation requirement for highly compensated employees to \$143,988 per year. The comment period on the proposed changes ended November 7, 2023, and the amendments will become effective 60 days after adoption. We are continuing to monitor this closely. These estimated numbers are subject to change in accordance with the U.S. Department of Labor's final rule.

Employers should begin reviewing their payroll to determine which (if any) employees will be affected by the law and prepare to update their payrolls accordingly. Employers should also identify employees classified as administrative and executive exempt and evaluate whether these employees should be reclassified as overtime eligible. Given the nuances of determining whether an employee should be classified as “exempt” from overtime, employers should speak with experienced employment attorneys. Employers with questions relative to the foregoing are encouraged to reach out to your Meltzer Lippe advisor or contact Nicholas P. Melito or Mark A. Radi at Meltzer, Lippe, Goldstein & Breitstone, LLP.

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