

Insight

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The Minimum Wage in 2017: A Coast-to-Coast Compliance Challenge

BY JOSH KIRKPATRICK AND SEBASTIAN CHILCO

Minimum-wage-related actions in 2016 will create challenges for employers starting in 2017. Although 2016 was not necessarily a record year for passage of state minimum wage laws in general, it did break ground concerning the number of tiered and/or regional minimum wage laws enacted. This year was also notable in that Iowa joined the list of states with local minimum wage laws. Moreover, unlike 2015, when consumer prices decreased and minimum wage rates stalled in various locations, 2016 has seen an increase in the consumer price index (CPI) in each jurisdiction. States and localities that review minimum wage rates based on the CPI have, therefore, increased them. Additionally, voters in four states and one city approved ballot measures increasing their minimum wage. This article discusses this year's minimum wage events that will have an impact from 2017 on.

Overview of State Minimum Wage Increases

For 2017, eight states must examine and may increase the minimum wage: Alaska, Florida, Missouri, Montana, Nevada, New Jersey, Ohio, and South Dakota.¹ Also, to date, 12 state legislatures, along with voters in four states, have enacted laws or passed ballot measures increasing the minimum wage and/or changing the minimum cash wage and maximum tip credit for tipped employees in 2017: Arizona, Arkansas, California, Colorado, Connecticut, District of Columbia, Hawaii, Maine, Maryland, Massachusetts, Michigan, New York, Oregon, Rhode Island, Vermont, and Washington State.

Additionally, numerous states have already scheduled minimum wage rate changes for future years:

¹ Other states will annually examine their rates in future years: Minnesota (2018); Michigan and Vermont (2019); District of Columbia, New York (one type of rate only), Arizona, Maine, and Washington State (2021); Oregon (2023); California (2024).

- **2018:** 12 state-level jurisdictions have scheduled minimum wage rate² changes (Arizona, California, Colorado, District of Columbia, Hawaii, Maine, Maryland, Michigan, New York, Oregon, Vermont, and Washington State).
- **2019:** eight have changes scheduled (Arizona, California, Colorado, District of Columbia, Maine, New York (New York City Small Employer; Remainder of Downstate & Remainder of State; Fast Food Employee Outside New York City), Oregon, and Washington State).
- **2020:** eight have changes scheduled (Arizona, California, Colorado, District of Columbia, Maine, New York (Remainder of Downstate & Remainder of State; Fast Food Employee Outside New York City), Oregon, and Washington State).
- **2021:** four have changes scheduled (California, New York (Remainder of Downstate & Fast Food Employee Outside New York City), and Oregon).
- **2022:** two have scheduled changes (California and Oregon).
- **2023:** California has scheduled a change for employers with 25 or fewer employees.

Tiered or Regional Minimum Wages: The New Normal?

Until recently, most states used one minimum wage rate statewide. Minnesota and Montana were exceptions with different rates based on employer revenue. Minnesota also had a separate industry-based rate. This began to change in September 2015 when the New York State Department of Labor released its Fast Food Wage Order, setting different minimum wage rates for covered fast food workers inside and outside New York City beginning December 31, 2015.³ In 2016, a surge occurred. In March 2016, Oregon created a three-tier system, setting “general,” “urban,” and “nonurban” rates.⁴ On the same day in April 2016, California⁵ created a two-tier system (based on number of employees), and New York⁶ created four new minimum wage rates: two in New York City; one in Nassau, Suffolk, and Westchester Counties; and another in the remainder of the state. Although it is unlikely the trend will sweep the nation, it does set a precedent, which could be followed elsewhere. Moreover, instituting a geographic region-based minimum wage system could prove a useful tool for state legislators trying to avoid a hodgepodge of local measures while satisfying regional concerns about wage stagnation.

Local Minimum Wage Laws

Local minimum wage laws have increased exponentially in recent years. In 2013, four new laws were enacted.⁷ 2014 saw nine enacted laws.⁸ Enactment of local laws hit fever pitch in 2015, when 14 local laws were enacted.⁹ To date, 2016 has tied the record with 14 new laws, mostly in California or Iowa:

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- ² In addition to scheduled increases noted, Maine also has set the minimum cash wage for qualified tipped employees in 2021, 2022, 2023, and 2024.
 - ³ See George Pauta and Stefanie Kastrinsky, [New York “Supersizes” the Minimum Wage for Certain Fast Food Employees](#), Littler Insight (Sept. 29, 2015).
 - ⁴ See Jennifer Warberg, [Historic Minimum Wage Increase in Oregon](#), Littler ASAP (Mar. 4, 2016) & [Oregon’s Bureau of Labor and Industries Issues Minimum Wage Rules](#), Littler ASAP (June 17, 2016).
 - ⁵ See Christopher Cobey and Sebastian Chilco, [California Raises its Minimum Wage and Expands Paid Sick Leave](#), Littler Insight (Apr. 4, 2016).
 - ⁶ See Stephen Fuchs, [Minimum Wage Increases in New York: What Employers Should Know](#), Littler Insight (Apr. 18, 2016)
 - ⁷ San Jose, CA; Montgomery County, MD; Bernalillo County, NM (Unincorporated); and SeaTac, WA.
 - ⁸ Berkeley & Oakland & Richmond & Sunnyvale, CA; Chicago, IL; Prince George’s County, MD; Las Cruces and Santa Fe County, NM (Unincorporated); and Seattle, WA.
 - ⁹ Birmingham, AL (Preempted by state law immediately after, and currently subject of a legal challenge); El Cerrito, Los Angeles, Los Angeles County (Unincorporated), Mountain View, Palo Alto, and Santa Clara, CA; Johnson County, IA; Louisville-Jefferson County & Lexington-Fayette Urban County, KY; Bangor & Portland, ME; St. Louis, MO (Preempted by state law immediately after, and currently subject of a legal challenge); and Tacoma, WA. New York City’s Fast Food Wage Order is excluded from the count because it was a local rate set by state law.

- Arizona: Flagstaff.
- California: Cupertino, Los Altos, Malibu, Pasadena, San Diego, San Leandro, San Mateo, and Santa Monica.¹⁰
- Illinois: Cook County.¹¹
- Iowa: The city of Tiffin, Linn County, Polk County, and Wapello County.¹²

Interestingly, various localities voted against exploring or instituting a local minimum wage. For example, the West Hollywood, California City Council elected not to explore further a minimum wage ordinance, and the Long Beach, California City Council dropped its proposed ordinance. The Board of Supervisors of Woodbury County, Iowa voted against creating an advisory committee to create a county minimum wage.

Preemption v. Populism

At least 23 states have enacted laws expressly banning local governments from enacting minimum wage laws. For example, in 2016, Idaho's minimum wage statute was amended to prohibit local minimum wage laws and the North Carolina minimum wage statutory scheme was amended to provide that state law generally superseded and preempted any local measure regulating compensation, e.g., wage levels, wage payment, etc. Before these new preemption laws, neither Idaho nor North Carolina had a local minimum wage law that covered private employers.

However, cities and citizens have begun to push back. For example, Miami Beach, Florida enacted a local minimum wage law that is set to take effect January 1, 2018, even though a state law arguably preempts local minimum wages. The city contends the state constitution – which implemented the state minimum wage – permits a local minimum wage. Also, a legal challenge has been filed concerning Arizona's preemption law, the result of which will impact the recently-passed local minimum wage ballot measure in Flagstaff.

Various other challenges have made, or are making their way, through the courts. On October 6, 2016, the Missouri Supreme Court heard oral arguments involving the City of St. Louis's minimum wage ordinance and a Missouri preemption law enacted in response to – and only days before – the local law. At the other end of the litigation spectrum, litigants in a case pitting the Birmingham, Alabama minimum wage ordinance against the state's preemption law – like with Missouri, enacted as a direct response to the Birmingham law – are battling in federal court about whether the case will proceed past the dismissal stage. On October 20, 2016, the Kentucky Supreme Court ruled that Louisville-Jefferson County's minimum wage conflicted with the state minimum wage law and was invalid. The conclusion reached should apply equally to Lexington-Fayette County's minimum wage law, meaning there are no longer any generally-applicable local minimum wage laws impacting private employers in the Bluegrass State.

What Happened at the Polls?¹³

Voters approved state minimum wage increases in Arizona,¹⁴ Colorado, Maine, and Washington State. All initiatives set multi-year increases from 2017 through 2020, with annual adjustments in 2021 and subsequent years. Moreover, for all intents and purposes, Maine set the minimum cash wage tipped employees must be

10 See Robert Blumberg, Maria Harrington, and Shiva Davoudian, [Santa Monica Jumps on the Minimum Wage and Sick Leave Bandwagon](#), Littler Insight (Feb. 18, 2016).

11 Currently, many question whether the county had the legal authority to enact the measure. Additionally, many local officials have discussed passing measures to remove work performed in their cities from coverage under the county law.

12 Local rates in Oregon are excluded from the county because they are set by state law.

13 Petitioners were unsuccessful in persuading courts to put minimum wage measures on the November ballot in Minneapolis, Minnesota and Cleveland, Ohio (though the Cleveland City Council eventually agreed to put a measure on the May 2017 ballot).

14 See Neil Alexander and Lindsay Schafer, [New Arizona Law Provides Minimum Wage Increases And Paid Sick Time](#), Littler Insight (Nov. 15, 2016).

paid through 2024: in 2018 and each subsequent year, the wage for tipped employees will increase by \$1 per hour until it equals the generally-applicable minimum wage rate, at which time the tip credit will be eliminated.

Although Arizona, Colorado, and Maine all set a \$12 minimum wage for 2020, these states will take different approaches in reaching that number. Arizona will use two 50-cent increases per year followed by a \$1 increase (\$10, \$10.50, \$11, \$12). Colorado will use a 90-cent per year increase structure (\$9.30; \$10.20; \$11.10; \$12). Maine will increase its minimum wage \$1 per year (\$9; \$10; \$11; \$12). Of the four states, Washington State set the highest 2020 minimum rate using two 50-cent increases followed by a \$1.50 increase (\$11; \$11.50; \$12; \$13.50).

Flagstaff, Arizona was the only local minimum wage ballot measure at the general election. As noted, whether the ordinance is valid remains to be seen. If the courts strike down the state preemption law, Flagstaff will be on its way to at least a \$15-per-hour minimum wage by 2021. Initially, the Flagstaff law uses a July 1 start date (in 2017), but eventually aligns with the state's January 1 adjustment date in 2018 and future years. The law sets the minimum wage at the greater of the preset local rate or the state minimum wage plus \$2. Because voters approved increases to the state minimum wage in coming years, the applicable rate will be the state rate plus \$2 (\$12.50; \$13; \$14). Absent a significant change in the CPI between 2019 and 2020, the local rate in 2021 will be \$15. Also, like Maine's law, the Flagstaff law gradually reduces the tip credit until it is eliminated in 2026.

However, not all minimum-wage-related ballot measures passed. South Dakotans voted down a ballot measure that would have allowed employers to pay non-tipped employees under age 18 less than the state minimum wage. In Berkeley, California, two measures failed to pass, but the result was expected. Shortly before the election, the city council passed a measure that amended the existing minimum wage. Its goal was to compromise on changes, as both the council and wage advocates put competing measures on the ballot. After the council adopted the changes, both sides advocated for citizens to vote down both measures.

Suggestions for Employers

In light of the various changes, employers may consider any or all of the following:

- Implementing an effective system of monitoring minimum wage increases at all levels.
- Ensuring non-exempt employees – tipped and non-tipped – are paid at least the minimum wage (and that the minimum wage is paid separately for each hour of work in jurisdictions that require such strict compliance).
- If operating in a state that has a 7(i) exemption (the so-called “retail sales exemption”) or an exempt employee salary basis component that uses the state minimum wage, ensure wage requirements are satisfied.
- Confirming, in applicable states, that overtime-exempt white collar employees are paid at least the minimum wage.
- Updating minimum wage posters.
- Informing employees about their new rate(s) before the employees perform work under the new rates.
- Training HR, payroll, and managerial employees on increases, posting, and notice requirements, and how to respond to employee inquiries concerning wage rate changes.
- For New York employers in particular, ensuring that processes are in place to track the accurate amount of tips received by tipped employees.

State and/or Local Minimum Wage Increases in 2017

Below are the minimum wage rate changes for non-exempt employees in 2017. In certain jurisdictions, tipped employees may be paid differently if all applicable requirements are met. Essentially, an employer can count tips a covered employee receives for purposes of paying that employee the hourly minimum wage. Depending on the jurisdiction, either a minimum cash wage is set and the maximum tip credit is the difference between the minimum wage and minimum cash wage, or vice versa. In these jurisdictions, if an employee's cash wage plus tips received equal the minimum wage, an employer's minimum wage obligation has been satisfied. However, if the cash wage plus tips does not equal the minimum wage, then an employer must pay the employee the difference.

Alaska

Jurisdiction	Date of Rate Change	2016 Minimum Wage	2017 Minimum Wage	2016 Minimum Cash Wage	2017 Minimum Cash Wage	2016 Maximum Tip Credit	2017 Maximum Tip Credit
State Law	January 1, 2017	\$9.75	\$9.80	Not applicable	No change	Prohibited	No change

Arizona

Jurisdiction	Date of Rate Change	2016 Minimum Wage	2017 Minimum Wage	2016 Minimum Cash Wage	2017 Minimum Cash Wage	2016 Maximum Tip Credit	2017 Maximum Tip Credit
State Law	January 1, 2017	\$8.05	\$10.00	\$5.05	\$7.00	\$3.00	No change

Local Laws

Flagstaff	July 1, 2017	\$8.05 (State Rate)	\$12.00	\$5.05 (State Rate)	\$9.00	\$3.00 (State Rate)	No change (Local Rate Is State Rate)
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Arkansas

Jurisdiction	Date of Rate Change	2016 Minimum Wage	2017 Minimum Wage	2016 Minimum Cash Wage	2017 Minimum Cash Wage	2016 Maximum Tip Credit	2017 Maximum Tip Credit
State Law	January 1, 2017	\$8.00	\$8.50	\$2.63	No change	\$5.37	\$5.87

California

Jurisdiction	Date of Rate Change	2016 Minimum Wage	2017 Minimum Wage	2016 Minimum Cash Wage	2017 Minimum Cash Wage	2016 Maximum Tip Credit	2017 Maximum Tip Credit
State Law	January 1, 2017	\$10.00 (26 or More Employees)	\$10.50	Not applicable	No change	Prohibited	No change
		\$10.00 (25 or More Employees)	No change				

Jurisdiction	Date of Rate Change	2016 Minimum Wage	2017 Minimum Wage	2016 Minimum Cash Wage	2017 Minimum Cash Wage	2016 Maximum Tip Credit	2017 Maximum Tip Credit
Local Laws							
Berkeley	October 1, 2017	\$12.53	\$13.75	Not applicable	No change	Prohibited	No change
Cupertino	January 1, 2017	\$10.00 (State Rate)	\$12.00	Not applicable	No change	Prohibited	No change
El Cerrito	January 1, 2017	\$11.60	\$12.25	Not applicable	No change	Prohibited	No change
Emeryville	July 1, 2017	\$13.00 (55 or Fewer Employees)	\$14.00	Not applicable	No change	Prohibited	No change
		\$14.82 (56 or More Employees)	TBD (est. \$15.20)				
Los Altos	January 1, 2017	\$10.00 (State Rate)	\$12.00	Not applicable	No change	Prohibited	No change
Los Angeles (City)	July 1, 2017	\$10.50 (26 or More Employees)	\$12.00	Not applicable	No change	Prohibited	No change
		\$10.00 (25 or Fewer Employer) (State Rate)	\$10.50 (City Rate)				
Los Angeles County (Unincorporated)	July 1, 2017	\$10.50 (26 or More Employees)	\$12.00	Not applicable	No change	Prohibited	No change
		\$10.00 (25 or Fewer Employer) (State Rate)	\$10.50 (County Rate)				
Malibu	July 1, 2017	\$10.50 (26 or More Employees)	\$12.00	Not applicable	No change	Prohibited	No change
		\$10.00 (25 or Fewer Employer) (State Rate)	\$10.50 (City Rate)				

Jurisdiction	Date of Rate Change	2016 Minimum Wage	2017 Minimum Wage	2016 Minimum Cash Wage	2017 Minimum Cash Wage	2016 Maximum Tip Credit	2017 Maximum Tip Credit
Mountain View	January 1, 2017	\$11.00	\$13.00	Not applicable	No change	Prohibited	No change
Oakland	January 1, 2017	\$12.55	\$12.86	Not applicable	No change	Prohibited	No change
Palo Alto	January 1, 2017	\$11.00	\$12.00	Not applicable	No change	Prohibited	No change
Pasadena	July 1, 2017	\$10.50 (26 or More Employees)	\$12.00	Not applicable	No change	Prohibited	No change
		\$10.00 (25 or Fewer Employees) (State Rate)	\$10.50 (City Rate)				
Richmond	January 1, 2017	\$11.52 (Without Benefits)	\$12.30	Not applicable	No change	Prohibited	No change
		\$10.02 (With Benefits)	\$10.80				
		\$10.76 (Intermediate Minimum Wage) (26 or More Employees)	\$11.40				
		\$10.76 (Intermediate Minimum Wage) (25 or Fewer Employees)	\$11.15				
San Diego	January 1, 2017	\$10.50	\$11.50	Not applicable	No change	Prohibited	No change
San Francisco (City & County)	July 1, 2017	\$13.00	\$14.00	Not applicable	No change	Prohibited	No change
San Jose	January 1, 2017	\$10.30	\$10.50	Not applicable	No change	Prohibited	No change
San Leandro	July 1, 2017		\$12.00	Not applicable	No change	Prohibited	No change
	July 1, 2017	\$10.00 (State Rate)	\$12.00				

Jurisdiction	Date of Rate Change	2016 Minimum Wage	2017 Minimum Wage	2016 Minimum Cash Wage	2017 Minimum Cash Wage	2016 Maximum Tip Credit	2017 Maximum Tip Credit
San Mateo	January 1, 2017	\$10.00 (State Rate)	\$12.00 (Generally) \$10.50 (Nonprofit)	Not applicable	No change	Prohibited	No change
Santa Clara	January 1, 2017	\$11.00	\$11.10	Not applicable	No change	Prohibited	No change
Santa Monica	July 1, 2017	\$10.50 (26 or More Employees) \$10.00 (25 or Fewer Employees) (State Rate)	\$12.00 \$10.50 (City Rate)	Not applicable	No change	Prohibited	No change
Sunnyvale	January 1, 2017	\$11.00	\$13.00	Not applicable	No change	Prohibited	No change

Colorado

Jurisdiction	Date of Rate Change	2016 Minimum Wage	2017 Minimum Wage	2016 Minimum Cash Wage	2017 Minimum Cash Wage	2016 Maximum Tip Credit	2017 Maximum Tip Credit
State Law ¹⁵	January 1, 2017	\$8.31	\$9.30	\$5.29	\$6.28	\$3.02	No change

Connecticut

Jurisdiction	Date of Rate Change	2016 Minimum Wage	2017 Minimum Wage	2016 Minimum Cash Wage	2017 Minimum Cash Wage	2016 Maximum Tip Credit	2017 Maximum Tip Credit
State Law	January 1, 2017	\$9.60	\$10.10	\$6.07 (Wait Staff)	\$6.38	\$3.53	\$3.72
				\$7.82 (Bartender)	\$8.23	\$1.78	\$1.87
				\$9.25 (Other)	\$9.75	\$0.35	No change

¹⁵ Before the election, the state labor department issued [Proposed Colorado Minimum Wage Order 33](#). Given the approved ballot measure provides for a higher minimum wage rate, and postpones the ability of the department to annually adjust the minimum wage until 2021, we expect the department to withdraw the proposal.

District of Columbia

Jurisdiction	Date of Rate Change	2016 Minimum Wage	2017 Minimum Wage	2016 Minimum Cash Wage	2017 Minimum Cash Wage	2016 Maximum Tip Credit	2017 Maximum Tip Credit
State Law	July 1, 2017	\$11.50	\$12.50	\$2.77	\$3.33	\$8.73	\$9.17

Florida

Jurisdiction	Date of Rate Change	2016 Minimum Wage	2017 Minimum Wage	2016 Minimum Cash Wage	2017 Minimum Cash Wage	2016 Maximum Tip Credit	2017 Maximum Tip Credit
State Law	January 1, 2017	\$8.05	\$8.10	\$5.03	\$5.08	\$3.02	No change

Hawaii

Jurisdiction	Date of Rate Change	2016 Minimum Wage	2017 Minimum Wage	2016 Minimum Cash Wage	2017 Minimum Cash Wage	2016 Maximum Tip Credit	2017 Maximum Tip Credit
State Law	January 1, 2017	\$8.50	\$9.25	\$7.75	\$8.50	\$0.75	No change
						(if wages and tips combined result in the employee earning at least \$7.00 more than the minimum wage)	

Illinois

Jurisdiction	Date of Rate Change	2016 Minimum Wage	2017 Minimum Wage	2016 Minimum Cash Wage	2017 Minimum Cash Wage	2016 Maximum Tip Credit	2017 Maximum Tip Credit
State Law	Not applicable	\$8.25	No change	\$4.95	No change	\$3.30	No change
Local Laws							
Chicago	July 1, 2017	\$10.50	\$11.00	\$5.95	TBD	\$4.55	TBD
Cook County	July 1, 2017	\$8.25 (State Rate)	\$10.00	\$4.95 (State Rate)	No Change (Local Rate Is State Rate)	\$3.30 (State Rate)	\$5.05

Iowa

Jurisdiction	Date of Rate Change	2016 Minimum Wage	2017 Minimum Wage	2016 Minimum Cash Wage	2017 Minimum Cash Wage	2016 Maximum Tip Credit	2017 Maximum Tip Credit
State Law	Not applicable	\$7.25	No change	\$4.35	No change	\$2.90	No change
Local Laws							
Johnson County	January 1, 2017	\$9.15	\$10.10	\$5.49	\$6.06	\$3.66	\$4.04
Linn County	January 1, 2017	\$7.25 (State Rate)	\$8.25	\$4.35 (State Rate)	\$4.95	\$2.90 (State Rate)	\$3.30
Polk County	April 1, 2017	\$7.25 (State Rate)	\$8.75	\$4.35 (State Rate)	*** ¹⁶	\$2.90 (State Rate)	See Footnote
Wapello County	January 1, 2017	\$7.25 (State Rate)	\$8.20	\$4.35 (State Rate)	\$4.92	\$2.90 (State Rate)	\$3.28

Maryland

Jurisdiction	Date of Rate Change	2016 Minimum Wage	2017 Minimum Wage	2016 Minimum Cash Wage	2017 Minimum Cash Wage	2016 Maximum Tip Credit	2017 Maximum Tip Credit
State Law	July 1, 2017	\$8.75	\$9.25	\$3.63	No change	\$5.12	\$5.62
Local Laws							
Montgomery County	July 1, 2017	\$10.75	\$11.50	\$4.00	No change	\$6.75	\$7.50
Prince George's County	October 1, 2017	\$10.75	\$11.50	\$3.63	No		

Maine

Jurisdiction	Date of Rate Change	2016 Minimum Wage	2017 Minimum Wage	2016 Minimum Cash Wage	2017 Minimum Cash Wage	2016 Maximum Tip Credit	2017 Maximum Tip Credit
State Law	January 1, 2017	\$7.50	\$9.00	\$3.75	\$5.00	\$3.75	\$4.00
Local Laws							
Bangor	January 1, 2017	\$7.50 (State Rate)	\$9.00 (State Rate Exceeds Local Rate)	\$3.75 (State Rate)	\$5.00 (State Rate Exceeds Local Rate)	\$3.75 (State Rate)	\$4.00 (State Rate)
Portland	January 1, 2017	\$10.10	\$10.68	\$3.75	No change	\$6.35	\$6.93

¹⁶ The ordinance provides: "For purposes of determining whether an employee of a restaurant, hotel, motel, inn or cabin, who customarily and regularly receives more than thirty dollars a month in tips ('tipped wage employees') is receiving the minimum hourly wage rate prescribed in this section, the amount paid the employee by the employer shall be deemed to be increased on account of the tips by an amount determined by the employer not to exceed \$5.00 per hour at every Polk County Minimum Wage level. Barring anything to the contrary in Iowa or Federal law (which limitation under current Iowa and Federal law is considered to be a credit and expressed as 40 percent of the minimum wage) employers are obligated to pay employees any hourly wage amount less than the Polk County Minimum Wage." A Polk County representative informally stated recommendations would be made to amend the ordinance to clarify the second sentence's meaning and interplay with the first sentence before the ordinance takes effect in April 2017.

Massachusetts

Jurisdiction	Date of Rate Change	2016 Minimum Wage	2017 Minimum Wage	2016 Minimum Cash Wage	2017 Minimum Cash Wage	2016 Maximum Tip Credit	2017 Maximum Tip Credit
State Law	January 1, 2017	\$10.00	\$11.00	\$3.35	\$3.75	\$6.65	\$7.25

Michigan

Jurisdiction	Date of Rate Change	2016 Minimum Wage	2017 Minimum Wage	2016 Minimum Cash Wage	2017 Minimum Cash Wage	2016 Maximum Tip Credit	2017 Maximum Tip Credit
State Law	January 1, 2017	\$8.50	\$8.90	\$3.23	\$3.38	\$5.27	\$5.52

Missouri

Jurisdiction	Date of Rate Change	2016 Minimum Wage	2017 Minimum Wage	2016 Minimum Cash Wage	2017 Minimum Cash Wage	2016 Maximum Tip Credit	2017 Maximum Tip Credit
State Law	January 1, 2017	\$7.65	\$7.70	\$3.825	\$3.85	\$3.825	\$3.85

Montana

Jurisdiction	Date of Rate Change	2016 Minimum Wage	2017 Minimum Wage	2016 Minimum Cash Wage	2017 Minimum Cash Wage	2016 Maximum Tip Credit	2017 Maximum Tip Credit
State Law	January 1, 2017	\$8.05	\$8.15	Not applicable	No change	Prohibited	No change

Nevada

Jurisdiction	Date of Rate Change	2016 Minimum Wage	2017 Minimum Wage	2016 Minimum Cash Wage	2017 Minimum Cash Wage	2016 Maximum Tip Credit	2017 Maximum Tip Credit
State Law	July 1, 2017	\$7.25 (Health benefits offered) ¹⁷	TBD	Not applicable	No change	Prohibited	No change
		\$8.25 (Health benefits not offered)					

¹⁷ See Rick Roskelley & Kathryn Blakey, [Nevada Supreme Court Makes Three Major Decisions On Nevada's Minimum Wage Laws](#), Littler Insight (Oct. 28, 2016).

New Mexico

Jurisdiction	Date of Rate Change	2016 Minimum Wage	2017 Minimum Wage	2016 Minimum Cash Wage	2017 Minimum Cash Wage	2016 Maximum Tip Credit	2017 Maximum Tip Credit
State Law	Not applicable	\$7.50	No change	\$2.13	No change	\$5.37	No change
Local Laws							
Albuquerque	January 1, 2017	\$7.75 (With Benefits) \$8.75 (Without Benefits)	\$7.80 (With Benefits) \$8.80 (Without Benefits)	\$5.25	\$5.30	\$2.50 (With Benefits) \$3.50 (Without Benefits)	No change
Bernalillo County (Unincorporated) ¹⁸	January 26, 2017	\$7.65 (With Benefits) \$8.65 (Without Benefits)	TBD	\$2.13	TBD	\$5.52 (With Benefits) \$6.52 (Without Benefits)	No change
Las Cruces	January 1, 2017	\$8.40	\$9.20	\$3.36	\$3.68	\$5.04	\$5.52
Santa Fe (City)	March 1, 2017 ¹⁹	\$10.91	TBD	\$2.13 (State Rate)	TBD	\$8.78	TBD
Santa Fe County (Unincorporated)	March 1, 2017	\$10.91	TBD	\$3.27	TBD	\$7.64	TBD

New Jersey

Jurisdiction	Date of Rate Change	2016 Minimum Wage	2017 Minimum Wage	2016 Minimum Cash Wage	2017 Minimum Cash Wage	2016 Maximum Tip Credit	2017 Maximum Tip Credit
State Law	January 1, 2017	\$8.38	\$8.44	\$2.13 (suggested)	No change	\$6.25 (if suggested cash wage used)	\$6.31 (if suggested cash wage used)

¹⁸ Although the minimum wage ordinance requires the minimum wage to be adjusted on January 1, the county has not stuck to that date and minimum wage increases in 2015 and 2016 both occurred on January 26.

¹⁹ Although the living wage ordinance suggests annual adjustments should occur on January 1, the city has regularly had the new minimum wage rate take effect on March 1.

New York²⁰*Generally*

Date	Fast Food Worker (New York City)	Fast Food Worker (Outside New York City)	New York City (11 or More Employees)	New York City (10 or Fewer Employees)	Nassau, Suffolk & Westchester Counties	Remainder of New York
Currently	\$10.50	\$9.75	\$9.00	\$9.00	\$9.00	\$9.00
December 31, 2016	\$12.00	\$10.75	\$11.00	\$10.50	\$10.00	\$9.70
December 31, 2017	\$13.50	\$11.75	\$13.00	\$12.00	\$11.00	\$10.40

Tips

The New York State labor department has proposed amending its minimum wage orders to account for all the new types of minimum wage rates that apply throughout the state. The below information is limited to what the numbers will be if the proposal is adopted.

Generally: If an employee's weekly tip average is less than the Low amount, a tip credit cannot be claimed. If an employee's weekly tip average is between the Low and High amounts, the tip credit cannot exceed the Low amount. If an employee's weekly tip average equals or exceeds the High amount, the tip credit cannot exceed the High amount.

Date	New York City (11 or More Employees)		New York City (10 or Fewer Employees)		Nassau, Suffolk & Westchester Counties		Remainder of New York	
	Low	High	Low	High	Low	High	Low	High
December 31, 2016	\$1.65	\$2.70	\$1.60	\$2.55	\$1.50	\$2.45	\$1.45	\$2.35
December 31, 2017	\$1.95	\$3.20	\$1.80	\$2.95	\$1.65	\$2.70	\$1.55	\$2.55
December 31, 2018	\$2.25	\$3.65	\$2.05	\$3.30	\$1.80	\$2.95	\$1.65	\$2.70

²⁰ New York State has also proposed changing the minimum salary exempt executive and administrative employees must be paid. See Emma Fursland and Bruce Millman, [Proposed Amendment to New York State Wage Orders Set To Substantially Raise Salary Requirements For Exempt Employees](#), Littler Insight (Nov. 1, 2016).

Hospitality Industry (Service Employee): A service employee must receive a wage of at least the hourly Cash Wage (CW), and a tip credit cannot exceed the hourly tip credit rate (TC), provided an employee's weekly tip average at least the hourly Tip Threshold (TT) and the total of tips received plus wages equals or exceeds the basic minimum hourly rate (TT(R) is the tip threshold for resort hotel service employees).

Date	New York City (11 or More Employees)					New York City (10 or Fewer Employees)				
	MW	TC	TT	TT(R)	CW	MW	TC	TT	TT(R)	CW
December 31, 2016	\$11.00	\$1.85	\$2.40	\$6.15	\$9.15	\$10.50	\$1.75	\$2.30	\$5.90	\$8.75
December 31, 2017	\$13.00	\$2.15	\$2.80	\$7.30	\$10.85	\$12.00	\$2.00	\$2.60	\$6.75	\$10.00
December 31, 2018	\$15.00	\$2.50	\$3.25	\$8.40	\$12.50	\$13.50	\$2.25	\$2.95	\$7.60	\$11.25
December 31, 2019	\$15.00	\$2.50	\$3.25	\$8.40	\$12.50	\$15.00	\$2.50	\$3.25	\$8.40	\$12.50
December 31, 2020	\$15.00	\$2.50	\$3.25	\$8.40	\$12.50	\$15.00	\$2.50	\$3.25	\$8.40	\$12.50
December 31, 2021	\$15.00	\$2.50	\$3.25	\$8.40	\$12.50	\$15.00	\$2.50	\$3.25	\$8.40	\$12.50

Date	Nassau, Suffolk & Westchester Counties					Remainder of New York				
	MW	TC	TT	TT(R)	CW	MW	TC	TT	TT(R)	CW
December 31, 2016	\$10.00	\$1.65	\$2.15	\$5.60	\$8.35	\$9.70	\$1.60	\$2.10	\$5.45	\$8.10
December 31, 2017	\$11.00	\$1.85	\$2.40	\$6.15	\$9.15	\$10.40	\$1.75	\$2.25	\$5.85	\$8.65
December 31, 2018	\$12.00	\$2.00	\$2.60	\$6.75	\$10.00	\$11.10	\$1.85	\$2.40	\$6.25	\$9.25
December 31, 2019	\$13.00	\$2.15	\$2.80	\$7.30	\$10.85	\$11.80	\$1.95	\$2.55	\$6.60	\$9.85
December 31, 2020	\$14.00	\$2.35	\$3.05	\$7.85	\$11.65	\$12.50	\$2.10	\$2.70	\$7.00	\$10.40
December 31, 2021	\$15.00	\$2.50	\$3.25	\$8.40	\$12.50	TBD	TBD	TBD	TBD	TBD

Hospitality Industry (Food Service Worker): A food service worker must receive a wage of at least the hourly Cash Wage (CW), and a tip credit cannot exceed the below-specified hourly rate (TC) provided the total of tips received plus the wages equals or exceeds the hourly Total rate (MW). A tip credit is not permitted for fast food employees.

Date	NYC (11 or More Employees)			NYC (10 or Fewer Employees)			Nassau, Suffolk & Westchester Counties			Remainder of New York		
	CW	TC	MW	CW	TC	MW	CW	TC	MW	CW	TC	MW
Dec. 31, 2016	\$7.50	\$3.50	\$11.00	\$7.50	\$3.00	\$10.50	\$7.50	\$2.50	\$10.00	\$7.50	\$2.20	\$9.70
Dec. 31, 2017	\$8.65	\$4.35	\$13.00	\$8.00	\$4.00	\$12.00	\$7.50	\$3.50	\$11.00	\$7.50	\$2.90	\$10.40

Ohio

Jurisdiction	Date of Rate Change	2016 Minimum Wage	2017 Minimum Wage	2016 Minimum Cash Wage	2017 Minimum Cash Wage	2016 Maximum Tip Credit	2017 Maximum Tip Credit
State Law	January 1, 2017	\$8.10	\$8.15	\$4.05	\$4.08	\$4.05	\$4.07

Oregon

Jurisdiction	Date of Rate Change	2016 Minimum Wage	2017 Minimum Wage	2016 Minimum Cash Wage	2017 Minimum Cash Wage	2016 Maximum Tip Credit	2017 Maximum Tip Credit
State Law (General)	July 1, 2017	\$9.75	\$10.25				
State Law (Urban)	July 1, 2017	\$9.75	\$11.25	Not applicable	No change	Prohibited	No change
State Law (Nonurban)	July 1, 2017	\$9.50	\$10.00				

Rhode Island

Jurisdiction	Date of Rate Change	2016 Minimum Wage	2017 Minimum Wage	2016 Minimum Cash Wage	2017 Minimum Cash Wage	2016 Maximum Tip Credit	2017 Maximum Tip Credit
State Law	January 1, 2017	\$9.60	No change	\$3.39	\$3.89	\$6.21	\$5.71

South Dakota

Jurisdiction	Date of Rate Change	2016 Minimum Wage	2017 Minimum Wage	2016 Minimum Cash Wage	2017 Minimum Cash Wage	2016 Maximum Tip Credit	2017 Maximum Tip Credit
State Law	January 1, 2017	\$8.55	\$8.65	\$4.275	\$4.325	\$4.275	\$4.325

Vermont

Jurisdiction	Date of Rate Change	2016 Minimum Wage	2017 Minimum Wage	2016 Minimum Cash Wage	2017 Minimum Cash Wage	2016 Maximum Tip Credit	2017 Maximum Tip Credit
State Law	January 1, 2017	\$9.60	\$10.00	\$4.80	\$5.00	\$4.80	\$5.00

Washington State

Jurisdiction	Date of Rate Change	2016 Minimum Wage	2017 Minimum Wage	2016 Minimum Cash Wage	2017 Minimum Cash Wage	2016 Maximum Tip Credit	2017 Maximum Tip Credit
State Law	January 1, 2017	\$9.47	\$11.00	Not applicable	No change	Prohibited	No change

Local Laws

SeaTac	January 1, 2017	\$15.24	\$15.35	Not applicable	No change	Prohibited	No change
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Jurisdiction	Date of Rate Change	2016 Minimum Wage	2017 Minimum Wage	2016 Minimum Cash Wage	2017 Minimum Cash Wage	2016 Maximum Tip Credit	2017 Maximum Tip Credit
Seattle	January 1, 2017	\$13.00 (Hourly Minimum Wage: Schedule 1)	\$15.00	Not applicable	No change	Prohibited	No change
		\$12.50 (Hourly Minimum with Medical Benefits Wage: Schedule 1)	\$13.50				
		\$10.50 (Hourly Minimum Wage: Schedule 2)	\$11.00 (Local & State Rate)				
		\$12.00 (Hourly Minimum Compensation: Schedule 2)	\$13.00				
Tacoma	January 1, 2017	\$10.35	\$11.15	Not applicable	No change	Prohibited	No change