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NEW YORK'S MINIMUM SALARY FOR EXEMPTION AND MINIMUM HOURLY WAGE INCREASING IN THE NEW YEAR

Effective December 31, 2018, employers in New York State will face a higher salary threshold for exempt executive and administrative employees as well as an elevated minimum hourly wage. The increases are part of the amendments to the minimum wage orders put in place in 2016.

Salary basis thresholds specifically for workers fitting within the executive and administrative exemptions will increase as follows:

EMPLOYERS IN NEW YORK CITY

Employers with 11 or more employees

- \$1,125.00 per week (\$58,500.00 annually) as of December 31, 2018

Employers with 10 or fewer employees

- \$1,012.50 per week (\$52,650.00 annually) as of December 31, 2018
- \$1,125.00 per week (\$58,500.00 annually) as of December 31, 2019

EMPLOYERS IN NASSAU, SUFFOLK, AND WESTCHESTER COUNTIES

- \$900.00 per week (\$46,800.00 annually) as of December 31, 2018
- \$975.00 per week (\$50,700.00 annually) as of December 31, 2019
- \$1,050.00 per week (\$54,600.00 annually) as of December 31, 2020
- \$1,125.00 per week (\$58,500.00 annually) as of December 31, 2021

EMPLOYERS IN THE REMAINDER OF NEW YORK STATE

- \$832.00 per week (\$43,264.00 annually) as of December 31, 2018
- \$885.00 per week (\$46,020.00 annually) as of December 31, 2019
- \$937.50 per week (\$48,750.00 annually) as of December 31, 2020

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NEW YORK'S MINIMUM SALARY FOR EXEMPTION AND MINIMUM HOURLY WAGE INCREASING IN THE NEW YEAR

The hourly minimum wage will increase as follows:

EMPLOYERS IN NEW YORK CITY

Employers with 11 or more employees

- \$15.00 per hour

Employers with 10 or fewer employees

- \$13.75 per hour

EMPLOYERS IN NASSAU, SUFFOLK, AND WESTCHESTER COUNTIES

- \$12.00 per hour

EMPLOYERS IN THE REMAINDER OF NEW YORK STATE

- \$11.10 per hour

Employer Next Steps

Employers should immediately take steps to identify those New York-based employees designated as exempt executives and administrators and,

to the extent necessary, adjust those salaries to meet or exceed the new thresholds. In the alternative, where employers do not wish to adjust salaries, those positions need to be reclassified as non-exempt. Keep in mind that the salary requirement is just one component of the test for exempt status; those treated as exempt must also satisfy a duties test, but that test has not been modified.

The salary thresholds applicable to impacted employees must be those which are mandated in their primary work locations as of December 31, 2018.

Where employees are reclassified as non-exempt, employers should also ensure that, as of December 31, 2018, those employees are advised about the requirements for proper recording of work time, including overtime hours, as well as any and all other workplace rules which will now apply to them.