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New York Minimum Wage, Minimum Exempt Salary and Paid Family Leave Updates

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As the calendar turns from 2018 to 2019, New York's minimum wage and minimum exempt salary threshold are set to increase in accordance with their respective implementation schedules. Similarly, the New York Paid Family Leave Act's maximum leave entitlements and pay rate will increase on January 1, 2019.

Minimum wage

What will be the minimum wage in New York in 2019? The applicable minimum wage varies based on the employee's geographic location. The following table summarizes the new minimum wages, by location, effective December 31, 2018:

| Location | 2019 minimum wage |
|---------------------------------------|-------------------|
| New York City (11+ employees) | \$15.00 |
| New York City (10 or fewer employees) | \$13.50 |
| Nassau, Suffolk, Westchester Counties | \$12.00 |
| Rest of State | \$11.10 |

In New York City, employer size is based on the number of employees employed at all worksites during the current or prior calendar year.

Minimum exempt salary

What is the minimum exempt salary in 2019? Like the minimum wage, the applicable minimum exempt salary threshold is increasing effective December 31, 2018, and determined by the employee's geographic location:

| Location | 2019 minimum exempt salary |
|-------------------------------|---|
| New York City (11+ employees) | \$1,125.00 per week (\$58,500 per year) |

| | |
|---------------------------------------|---|
| Location | 2019 minimum exempt salary |
| New York City (10 or fewer employees) | \$1,012.50 per week (\$52,650 per year) |
| Nassau, Suffolk, Westchester Counties | \$900.00 per week (\$46,800 per year) |
| Rest of State | \$832 per week (\$43,264 per year) |

The above minimum exempt salaries only apply to the salary basis tests for the administrative and executive overtime exemptions under New York law. Other overtime exemptions under New York law are subject to the lower federal minimum exempt salary of \$455 per week.

New York Paid Family Leave

How is New York Paid Family Leave changing in 2019? Most notably, eligible employees will be eligible for up to 10 weeks of Paid Family Leave; an increase of 2 weeks from the previous year. In addition, the maximum rate of pay of leave has increased from \$652.96 to \$746.41. Finally, employers can require an increased annual employee payroll contribution of up to \$107.64. The following table summarizes the changes from 2018 to 2019:

| Effective date | Maximum annual paid family leave entitlement | Rate of pay during leave | Maximum annual employee payroll contribution |
|------------------------|--|--|--|
| January 1, 2018 | 8 Weeks | 50% of employee's average weekly wage, up to \$652.96 | Up to \$85.28 |
| January 1, 2019 | 10 Weeks | 55% of employee's average weekly wage, up to \$746.41 | Up to \$107.64 |

[Read our alert from December 14, 2017](#), for more background on the New York Paid Family Leave law.

Action items

In anticipation of the new minimum wage, employers in New York State and New York City should prepare to increase the hourly rate of any minimum wage workers, including temporary employees and interns. With respect to exempt executive and administrative employees, employers should determine whether such employees meet the increased minimum exempt salary and, if not, consider either increasing their salaries or converting them to nonexempt status. Finally, employers in New York should ensure that their Paid Family Leave policy and payroll reflect the newest maximum entitlements and allowances permitted under the law. Please feel free to contact us with any questions about the changes to the law or how to comply.

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