

# New York’s Minimum Wage Increases for 2024 and Beyond

June 7, 2023

On May 3, 2023, New York Gov. Kathy Hochul signed legislation into law increasing New York’s minimum wage for most employees beginning January 1, 2024, through 2026. Enacted as part of the [state’s budget legislation](#), increases to the minimum wage beginning in 2027 and beyond will be indexed to the consumer price index. Below, we’ve outlined what employers should know about this development.

## Minimum wage increases, 2024 – 2026

The state’s minimum wage will increase for all employees (excluding home care aides and certain other industry employees) as follows:

Effective date of minimum wage increase	New York City, Long Island and Westchester	Remainder of New York state
Current	\$15	\$14.20
January 1, 2024	\$16	\$15
January 1, 2025	\$16.50	\$15.50
January 1, 2026	\$17	\$16

Notably, [unlike prior increases](#), the new rates do not differ based on employer size and lump together the rates for New York City, counties on Long Island and Westchester County.

## Minimum wage increases beginning in 2027

The legislation also provides that minimum wage increases beginning in 2027 will be indexed to the US Department of Labor Consumer Price Index for Urban Wage Earners and Clerical Workers for the Northeast Region (CPI-W). Specifically, the minimum wage will increase based on a three-year moving average of the CPI-W. However, the minimum wage will not necessarily increase every year beginning in 2027. For example, the rate will not increase if the CPI-W for the most recent period is negative, or the unemployment rate rises by 0.5% or more. The state’s Department of Labor will be required to annually publish the adjusted minimum wage rates no later than October 1, for rates effective January 1 of the next year.

## Adjustments to exempt salary thresholds

The legislation also will cause an increase to the exempt salary threshold for administrative and executive employees, though the actual amounts have not been announced. If the historical salary basis threshold of [75](#)

times the minimum wage remains the same, the 2024 exempt salary threshold for such employees in New York City, Long Island and Westchester would increase from \$1,125 weekly (or \$58,500 annually) to \$1,200 weekly (or \$62,400 annually). Similarly, the exempt salary threshold for the remainder of the state would increase in 2024 from \$1,064.25 weekly (or \$55,341 annually) to \$1,124 weekly (or \$58,500 annually).

## Next steps

New York employers who employ minimum wage workers should be prepared to comply with the increase beginning next year and update their budgets accordingly. Employers with exempt executive and administrative employees should determine whether to raise their salaries to retain the exemption, or reclassify them as nonexempt employees entitled to overtime pay.

This content is provided for general informational purposes only, and your access or use of the content does not create an attorney-client relationship between you or your organization and Cooley LLP, Cooley (UK) LLP, or any other affiliated practice or entity (collectively referred to as "Cooley"). By accessing this content, you agree that the information provided does not constitute legal or other professional advice. This content is not a substitute for obtaining legal advice from a qualified attorney licensed in your jurisdiction, and you should not act or refrain from acting based on this content. This content may be changed without notice. It is not guaranteed to be complete, correct or up to date, and it may not reflect the most current legal developments. Prior results do not guarantee a similar outcome. Do not send any confidential information to Cooley, as we do not have any duty to keep any information you provide to us confidential. When advising companies, our attorney-client relationship is with the company, not with any individual. This content may have been generated with the assistance of artificial intelligence (AI) in accordance with our AI Principles, may be considered Attorney Advertising and is subject to our [legal notices](#).

## Key Contacts

Erika Freeman New York	efreeman@cooley.com +1 212 479 6367
Anna Matsuo New York	amatsuo@cooley.com +1 212 479 6827
Gerard O'Shea New York	goshea@cooley.com +1 212 479 6704
Steven A. Zuckerman New York	szuckerman@cooley.com +1 212 479 6647
Joseph Lockinger New York	jlockinger@cooley.com +1 212 479 6736

This information is a general description of the law; it is not intended to provide specific legal advice nor is it intended to create an attorney-client relationship with Cooley LLP. Before taking any action on this information you should seek professional counsel.

Copyright © 2023 Cooley LLP, 3175 Hanover Street, Palo Alto, CA 94304; Cooley (UK) LLP, 22 Bishopsgate, London, UK EC2N 4BQ. Permission is granted to make and redistribute, without charge, copies of this entire document provided that such copies are complete and unaltered and identify Cooley LLP as the author. All other

rights reserved.