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New York's Minimum Wage Increases for 2024 and Beyond

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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.

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