

New Year. New Wage Rules?

Working Together

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By Jonathan Orleans

A small business client called on January 2. “Happy New Year,” he said. “What’s the new minimum wage? I have to re-program my payroll.”

I was able to give him some good news, for a change. In Connecticut, *the minimum wage did not increase on January 1*. It remained at \$10.10 per hour for most employees, where it has been since January 1, 2017. At this time, there is no scheduled increase in Connecticut’s minimum wage, but incoming Governor Lamont has endorsed a proposal to raise it to \$15.00 per hour over 5 years. We’ll see whether that proposal is enacted into law by the General Assembly; Democratic leaders have identified raising the minimum wage and enacting some form of paid family leave as legislative priorities, but there may be strong opposition to both proposals.

If Connecticut were to embark on a course to raise its minimum wage, it would join a number of other states, including our neighbors in Massachusetts, Rhode Island, and New York. Massachusetts’ minimum wage rose to \$12 per hour effective January 1, 2019, and will increase in steps to \$15 per hour in 2023. In Rhode Island, the minimum wage rose from \$10.10 per hour to \$10.50 per hour on January 1, but there is no legislation in place to increase it further.

Minimum wage requirements in New York are more complex. There, the minimum wage depends in part on the location and size of the employer. In most of the state, the minimum wage is now \$11.10 per hour, an increase of 70 cents over last year. In Westchester County and on Long Island, it is now \$12.00 per hour. In New York City, small employers (i.e., those with 10 or fewer employees) must now pay their workers at least \$13.50 per hour, while larger employers (i.e., those with more than 10 employees) are at the \$15 per hour level. In general, minimum wages in New York will increase gradually until they hit \$15 per hour throughout the state.

What about the salary threshold for the “white collar” overtime exemptions (i.e., for executive, administrative, and professional employees)? Again, in Connecticut there is no change in the threshold salary; it remains at \$475 per week. (Remember, it is not enough that an employee is paid over \$475 per week to qualify her for an overtime exemption. *She must also be paid on a salary basis, and be performing exempt duties.* Connecticut’s regulations on these exemptions may be found [here](#).) In Massachusetts, the salary threshold for the white collar exemptions is \$80 per week; in Rhode Island it is \$200 per week. As a result, in both states, most employers must comply with the federal overtime exemption regulations, which currently set the

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threshold at \$455 per week, or \$23,725 per year. (The US Department of Labor is currently considering whether to raise the threshold, but hasn't indicated when, or if, it will propose new regulations.)

Again, things are more complicated in New York, and depend in part on an employer's size and location. In New York City, employers with 11 or more employees must pay an employee at least \$1125 per week to qualify for the white collar exemptions; smaller employers, with 10 or fewer employees, must pay at least \$1012.50 per week. In Westchester County and on Long Island, the threshold salary is \$900 per week, regardless of the size of the employer, and in the rest of the state it is \$832 per week. Again, to qualify for an exemption, the employee must be paid on a salary basis and must perform exempt duties. Note also that New York does not set a threshold salary for "professional" employees.

At least for the moment, my Connecticut client did not have to reprogram its payroll. But employers with multistate operations must be aware of changes in each state where they operate, and Connecticut employers should pay attention to legislative developments this year.

Tags: Minimum Wage, Overtime