

# HR COMPLIANCE OVERVIEW



## 2021 State Minimum Wage Rates

The current federal minimum wage rate is \$7.25 per hour. However, many states have adopted minimum wage rates higher than the federal rate. When the state rate and the federal rate are different, employers must pay their employees the higher rate. The following states have announced new minimum wage rates for 2021:

- |               |                 |                |
|---------------|-----------------|----------------|
| • Alaska      | • Maine         | • New Jersey   |
| • Arizona     | • Maryland      | • New Mexico   |
| • Arkansas    | • Massachusetts | • New York     |
| • California  | • Michigan      | • Ohio         |
| • Colorado    | • Minnesota     | • Oregon       |
| • Connecticut | • Missouri      | • South Dakota |
| • Florida     | • Montana       | • Vermont      |
| • Illinois    | • Nevada        | • Washington   |

### LINKS AND RESOURCES

- U. S. Department of Labor [table of minimum wage by state](#)
- U.S. Department of Labor [federal minimum wage](#) page

## Highlights

- ✓ The minimum wage rate in New York depends on the employer's size, industry and geographic location.
- ✓ The minimum wage rate in California depends on the employer's size.
- ✓ Employers should review employee wage rates and required posters to ensure compliance with state laws.

## Important Dates

- ✓ **Dec. 31, 2020:** New minimum wage rate in New York.
- ✓ **Jan. 1, 2021:** New minimum wage rates in 20 states.
- ✓ **July 1, 2021:** New minimum wage rates in Nevada and Oregon.
- ✓ **Aug. 1, 2021:** New minimum wage rate in Connecticut.
- ✓ **Sept. 30, 2021:** Second minimum wage rate increase in Florida.

# HR COMPLIANCE BULLETIN



## Minimum Wage Rate by State

The table below provides a high-level summary of minimum wage rates by state and important provisions that regulate how these rates apply.

State	2021 Rate	Effective	Tip Rate/Notes
Alabama	\$7.25	Already in effect	No state minimum wage rate. The federal rate applies.
Alaska	\$10.34	Jan. 1, 2021	Tips do not count toward the minimum wage.
Arizona	\$12.15	Jan. 1, 2021	\$3 below minimum wage rate for tipped employees.
Arkansas	\$11	Jan. 1, 2021	\$2.63 for tipped employees. The state rate applies to employers with 4 or more employees.
California	\$14/\$13	Jan. 1, 2021	<p>The minimum wage rate depends on employer size:</p> <ul style="list-style-type: none"><li>• \$14 for employers with 26 or more employees</li><li>• \$13 for employers with 25 or fewer employees</li></ul> <p>California does not allow employers to use a tip credit. Visit the California Department of Industrial Relations <a href="#">website</a> for state wage orders.</p>
Colorado	\$12.32	Jan. 1, 2021	\$9.30 for tipped employees.
Connecticut	\$13	Aug. 1, 2021	36.8% gratuity allowance for waitpersons and 18.5% for bartenders.
Delaware	\$10.25	Oct. 1, 2021	\$2.23 for tipped employees.
D.C.	\$15	Already in effect	\$5 for tipped employees.
Florida	\$8.65	Jan. 1, 2021	\$5.63 for tipped employees.
	\$10	Sept. 30, 2021	\$6.98 for tipped employees.
Georgia	\$5.15	Already in effect	The \$5.15 rate applies only to workers not covered by the FLSA.

# HR COMPLIANCE BULLETIN



State	2021 Rate	Effective	Tip Rate/Notes
Hawaii	\$10.10	Already in effect	\$9.35 for tipped employees.
Idaho	\$7.25	Already in effect	\$3.35 for tipped employees.
Illinois	\$11	Jan. 1, 2021	<p>The state rate applies to employers with 4 or more employees. Tip credit cannot exceed 40 percent of the applicable minimum wage.</p> <ul style="list-style-type: none"> <li>• \$6.60 for tipped employees</li> <li>• \$8.50 for youth under the age of 18 working fewer than 650 hours per calendar year</li> </ul>
Indiana	\$7.25	Already in effect	\$2.13 for tipped employees.
Iowa	\$7.25	Already in effect	\$4.35 for tipped employees.
Kansas	\$7.25	Already in effect	\$2.13 for tipped employees.
Kentucky	\$7.25	Already in effect	\$2.13 for tipped employees.
Louisiana	\$7.25	Already in effect	No state minimum wage rate. The federal rate applies.
Maine	\$12.15	Jan. 1, 2021	\$6.08 for tipped employees.
Maryland	\$11.75	Jan. 1, 2021	<p>The state rate applies to employers with 15 or more employees.</p> <ul style="list-style-type: none"> <li>• \$3.63 for tipped employees</li> <li>• \$11.60 for employers with 14 or fewer employees</li> </ul> <p>Different rates may apply for <a href="#">Montgomery</a> and <a href="#">Prince George</a> counties.</p>
Massachusetts	\$13.50	Jan. 1, 2021	\$5.55 for tipped employees.
Michigan	\$9.87	Jan. 1, 2021	\$3.75 for tipped employees.

# HR COMPLIANCE BULLETIN



State	2021 Rate	Effective	Tip Rate/Notes
Minnesota	\$10.08 / \$8.21	Jan. 1, 2021	No tip credit allowed. The higher rate applies to large employers (\$500,000 or more in annual gross revenue). The \$8.21 rate applies to: <ul style="list-style-type: none"> <li>• Small employers</li> <li>• Employees under 18 years of age (youth wage)</li> <li>• Employees under 20 years of age, during their first 90 days of work (training wage)</li> </ul>
Mississippi	\$7.25	Already in effect	No state minimum wage rate. The federal rate applies.
Missouri	\$10.30	Jan. 1, 2021	\$5.15 (half the current minimum rate) for tipped employees.
Montana	\$8.75/\$4	Jan. 1, 2021	No tip credit, meal credit or training wage is allowed. The lower rate applies to businesses with gross annual sales of \$110,000 or less.
Nebraska	\$9	Already in effect	\$2.13 for tipped employees.
Nevada	\$9.75/\$8.75	July 1, 2021	The \$9.75 rate applies to employees without health benefits. No tip credit is allowed.
New Hampshire	\$7.25	Already in effect	Tipped employees must receive 45 percent of the applicable rate.
New Jersey	\$12	Jan. 1, 2021	The state rate applies to employers with 6 or more employees. The following rates also apply: <ul style="list-style-type: none"> <li>• \$10.30 for agricultural employees</li> <li>• \$11.10 for seasonal employers and employers with 6 or fewer employees</li> <li>• \$4.13 for tipped employees</li> </ul>
New Mexico	\$10.50	Jan. 1, 2021	\$2.55 for tipped employees.

# HR COMPLIANCE BULLETIN



State	2021 Rate	Effective	Tip Rate/Notes
New York	\$15 / \$14.50 / \$14 / \$12.50 / \$10 / \$9.35 / \$8.35	Dec. 31, 2020	<p>The minimum wage rate in New York varies by location and industry:</p> <ul style="list-style-type: none"> <li>• \$15 for employees in New York City</li> <li>• \$14.50 for fast food workers outside of New York City</li> <li>• \$14 for Long Island and Westchester employees (unless they are fast food workers)</li> <li>• \$12.50 for employees <u>outside</u> Long Island and Westchester and <u>who are not</u> fast food workers</li> </ul> <p>The minimum wage rate for tipped food service workers in New York also varies by location:</p> <ul style="list-style-type: none"> <li>• \$10 in New York City</li> <li>• \$9.35 on Long Island and in Westchester</li> <li>• \$8.35 in the rest of the state</li> </ul> <p>Additional rates may apply under specific industry wage orders. Visit the New York Department of Labor <a href="#">website</a> for more minimum wage rate information.</p>
North Carolina	\$7.25	Already in effect	\$2.13 for tipped employees.
North Dakota	\$7.25	Already in effect	\$4.86 for tipped employees.
Ohio	\$8.80/\$7.25	Jan. 1, 2021	\$4.40 for tipped employees. The lower rate applies to employers with annual gross receipts of \$323,000 or less.
Oklahoma	\$7.25/\$2	Already in effect	The higher rate applies to employers with 10 or more full-time employees at any one location and employers with annual gross sales over \$100,000; all other employees not covered by the FLSA are subject to state minimum wage of \$2 per hour.
Oregon	\$12.75	July 1, 2021	<p>No tip credit allowed. The following minimum wage rates also apply:</p> <ul style="list-style-type: none"> <li>• \$14 for the Portland metropolitan area</li> <li>• \$12 for non-urban counties</li> </ul>
Pennsylvania	\$7.25	Already in effect	\$2.83 for tipped employees.

# HR COMPLIANCE BULLETIN



State	2021 Rate	Effective	Tip Rate/Notes
Rhode Island	\$11.50	Already in effect	\$3.89 for tipped employees.
South Carolina	\$7.25	Already in effect	No state minimum wage rate. The federal rate applies.
South Dakota	\$9.45	Jan. 1, 2021	\$4.725 for tipped employees.
Tennessee	\$7.25	Already in effect	No state minimum wage rate. The federal rate applies.
Texas	\$7.25	Already in effect	\$2.13 for tipped employees.
Utah	\$7.25	Already in effect	\$2.13 for tipped employees.
Vermont	\$11.75	Jan. 1, 2021	\$5.88 for tipped employees.
Virginia	\$7.25	Already in effect	\$2.13 for tipped employees.
Washington	\$13.69	Jan. 1, 2021	No tip credit allowed. Workers who are 14 or 15 years old may be paid 85% of the state minimum wage rate or \$11.64 per hour.
West Virginia	\$8.75	Already in effect	The state rate applies to employers with 6 or more employees. Employers can take a tip credit of up to 70 percent of the state rate.
Wisconsin	\$7.25	Already in effect	\$2.33 for tipped employees.
Wyoming	\$5.15	Already in effect	\$2.13 for tipped employees. The \$7.25 federal rate applies to employers covered by the FLSA.

## More Information

Please contact The Richards Group for more information on wage and hour laws.