

Publications

Labor and Employment Alert: New York Enacts \$15/Hour Minimum Wage and Paid Family Leave

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On April 4, 2016, Governor Andrew Cuomo signed legislation that will gradually increase New York’s minimum wage to \$15 per hour and will implement the nation’s most extensive paid family leave program. Currently, New York’s minimum wage is \$9 per hour. Governor Cuomo said that “with a statewide \$15 minimum wage and the nation’s only 12-week paid family leave program, we are going to prove that the economy can and should work for all.”

Beginning on December 31, 2016, the minimum wage will increase:

Location

12/13/2016

12/31/2017

12/31/2018

12/31/2019

12/31/2020

12/31/2021

New York City

Employers of
11 or more

\$11.00

\$13.00

\$15.00

Employers of
10 or less
\$10.50
\$12.00
\$13.50
\$15.00

Nassau, Suffolk, Westchester

\$10.00

\$11.00

\$12.00

\$13.00

\$14.00

\$15.00

Remainder of the State

\$9.70

\$10.40

\$11.10

\$11.80

\$12.50

\$12.50 + annual inflation adjustment until it reaches \$15.00

The law also changes the amount of the tip credit for food service workers from \$4.60 per hour to two-thirds of the minimum wage rate (rounded to the nearest five cents) or \$7.50, whichever is higher. Overall, it is estimated that the minimum wage increase will affect 2.3 million employees.

Beginning in January 2019, New York's Division of Budget is required to analyze the economy in each region of the state to determine the effect of the minimum wage increase and whether there should be a temporary suspension or delay in any scheduled increase. The Division of Budget must conduct a similar analysis each January until the minimum wage is \$15 per hour in each region of the state.

Under the new paid leave provision, employees in New York will be entitled to 12 weeks of paid family leave. Employees will be allowed to use that leave when caring for an infant within the first twelve months after birth; when caring for a family member with a serious health condition; or for family obligations when a spouse, domestic partner, child, or parent of the employee is called to active military service. Full- and part-time employees will be eligible for paid family leave after 26 consecutive weeks (six months) of employment, are protected from retaliation for taking this leave, and must be restored to the same or comparable position upon return from leave.

Paid family leave benefits will be phased in beginning in 2018 for eight weeks at 50% of an employee's average weekly wage, and will be capped at 50% of the statewide average weekly wage. Employees will be entitled to 10 weeks of paid leave in 2019 and 2020. By 2021, the paid family leave benefits will reach twelve weeks at 67% of an employee's average weekly wage. For example, in 2014, the average weekly wage was \$1,266.44; at that rate, the paid family leave maximum would be \$848. The paid family leave program will be funded through employee payroll deductions.

Contact your Vorys lawyer if you have questions about New York's new minimum wage or paid family leave laws.