

January 2020 Minimum Wage Update

Summary from NCSL for beginning of 2019

Eighteen states began the new year with higher minimum wages. Eight states (Alaska, Florida, Minnesota, Montana, New Jersey, Ohio, South Dakota, and Vermont) automatically increased their rates based on the cost of living, while 10 states (Arizona, Arkansas, California, Colorado, Maine, Massachusetts, Missouri, New York, Rhode Island, and Washington) increased their rates due to previously approved legislation or ballot initiatives. Other states that will see rate increases during the 2019 calendar year include D.C., Delaware, Michigan, and Oregon.

2019 Legislative Action to Increase Minimum Wages

Connecticut

- Connecticut enacted HB 5004, which will gradually increase the minimum wage so that it reaches \$15.00 on June 1, 2023.
- Beginning on January 1, 2024, and on each following January 1, the minimum wage will be adjusted by the percentage change in the Employment Cost Index calculated by the U.S. Bureau of Labor Statistics.
- Governor may temporarily suspend the increases in the minimum wage following two consecutive quarters of negative growth in Connecticut's real GDP.

Illinois

- Illinois enacted SB 1, which will gradually increase the minimum wage so that it reaches \$15.00 on January 1, 2025.
- Amends youth wage so that it will gradually increase to \$13.00 by January 1, 2025. Employees under 18 who have worked more than 650 hours per year for an employer must be paid the standard minimum wage.
- Provides a tax credit for Illinois employers with 50 or fewer FTEs that is equal to a percentage of the amount that the employer's employees' pay had to be increased to meet the new minimum wage. The percentage is 25% for 2020 and decreases each subsequent tax year until it is phased out in 2026.
- Increases penalties for wage theft.

Maryland

- Enacted H.166 and S.280, which will gradually increase the minimum wage to \$15.00 by January 1, 2025 and created a slower path for small employers (14 or fewer employees) that will reach \$15.00 by July 1, 2026.
- Amended the youth wage (85% of minimum wage) so that it applies to employees 18 years of age and younger (used to be 20 years of age and younger)
- Board of Public Works may temporarily suspend increase in the minimum wage for a year if seasonally adjusted total employment, as calculated by the U.S. Bureau of Labor Statistics, is negative. May only suspend wage increase one time.

Nevada

- Nevada enacted AB 456, which will annually increase the minimum wage every July 1 through 2024 from the federal minimum of \$7.25 to \$11.00 for employers that offer health benefits and \$12.00 for employers that do not offer health benefits.

New Jersey

- New Jersey enacted A.15, which will gradually increase the minimum wage so that it reaches \$15.00 of January 1, 2024.
- Beginning on January 1, 2025, and on each following January 1, minimum wage will increase by percentage increase in the CPI.
- Minimum wage for small employers (5 or fewer employees) and seasonal employers will gradually increase so that they reach standard minimum wage by January 1, 2028.
- Subject to the findings of a report by the Commissioner of Labor and Secretary of Agriculture, agricultural wage will gradually increase so that it is eliminated by January 1, 2030.
- Tipped wage will gradually increase from \$6.72 to \$9.87 by January 1, 2024.
- Creates a training wage equal to 90% of the minimum wage for employees enrolled in established on-the-job and other training programs approved by Commissioner of Labor.

New Mexico

- New Mexico enacted SB 437, which will annually increase the minimum wage so that it reaches \$12.00 on January 1, 2023.
- Creates a student minimum wage of \$8.50.
- Gradually increases tipped wage from \$2.13 to \$3.00 by January 1, 2023.

States with Wages Greater than the Federal Minimum Wage as of July 1, 2019

Rank	State	Minimum Wage
1	DC	\$14.00 ¹
2	Washington	\$13.50
3	Massachusetts	\$12.75
4	Colorado	\$12.10
5	Arizona	\$12.00
6	California	\$12.00 ²
7	Maine	\$12.00
8	New York	\$11.80 ³
9	Oregon	\$11.25 ⁴
10	Connecticut	\$11.00
11	Maryland	\$11.00
12	New Jersey	\$11.00
13	Vermont	\$10.96
14	Rhode Island	\$10.50
15	Alaska	\$10.19
16	Hawaii	\$10.10
17	Arkansas	\$10.00
18	Minnesota	\$10.00
19	Michigan	\$9.65
20	Missouri	\$9.45
21	South Dakota	\$9.30
22	Delaware	\$9.25
23	Illinois	\$9.25
24	Nebraska	\$9.00
25	New Mexico	\$9.00
26	West Virginia	\$8.75
27	Ohio	\$8.70
28	Montana	\$8.65
29	Florida	\$8.56
30	Nevada	\$8.25

¹ Increases to \$15.00/hr on 7/1/20.

² Minimum wage rate for employers with 26+ employees is \$13.00/hr.

³ Minimum wage rate is \$13.00/hr on Long Island and in Westchester, and \$15.00/hr in NYC.

⁴ Increases to \$12.00/hr on 7/1/20. Wage in metropolitan Portland area is \$12.50/hr until 6/30/20 and rises to \$13.25/hr on 7/1/20. Wages in so-called non-urban areas are \$11.00/hr until 6/30/20 and rise to \$11.50/hr on 7/1/20.