

New York State Kicks Off 2024 with Minimum Wage and Minimum Salary Threshold Increases

With the calendar turning over to a new year, New York employers must be mindful of important increases in minimum wage rates and salary thresholds for employees to be classified as overtime-exempt, as well as new thresholds with respect to pay method and frequency requirements for certain exempt employees. The following details these changes and the dates on which they take effect.

Minimum Wage Increases

All employees who are deemed non-exempt from overtime requirements and are thus paid on an hourly basis (and entitled to overtime compensation if they work in excess of 40 hours in a given workweek) will see minimum wage rates increase on or retroactive to January 1, 2024. Thus, the minimum wage for non-exempt employees increases from \$15 per hour to \$16 per hour in New York City and the counties of Nassau, Suffolk and Westchester, while that for work outside these 8 counties has increased from \$14.20 per hour to \$15 per hour. Each minimum wage rate for non-exempt employees will further increase by an additional \$0.50 on January 1, 2025 and again on January 1, 2026.

Location	Minimum Wage as of January 1, 2024	Minimum Wage as of January 1, 2025	Minimum Wage as of January 1, 2026
New York City and the counties of Nassau, Suffolk and Westchester	\$16.00 per hour	\$16.50 per hour	\$17.00 per hour
Remainder of New York State	\$15.00 per hour	\$15.50 per hour	\$16.00 per hour

Employers should immediately verify that they are displaying the most recent New York State minimum wage poster in the workplace and provide copies of those posters to all employees working remotely.

Increases to Minimum Salary Thresholds for Executive and Administrative Exemptions

In addition to those existing under federal law, the New York Labor Law (“NYLL”) provides exemptions for overtime pay eligibility for certain “white collar” employees—generally those working in *bona fide* executive, administrative and professional capacities. In order to be classified as exempt from overtime pay requirements under New York’s executive and administrative exemptions, employees must (1) regularly perform the types of job duties that meet the criteria for the applicable exemption, and (2) be paid on a salary basis, at or above the established minimum salary thresholds which vary across New York State, with the higher thresholds concentrated in the same areas as command higher minimum wage rates.

Effective January 1, 2024, New York State Department of Labor regulations have imposed increased minimum salary thresholds for New York’s executive and administrative overtime exemptions, from \$1,125 per week (or \$58,500 annualized) to \$1,200 per week (or \$62,400 annualized) in New York City and the counties of Nassau, Suffolk and Westchester. Elsewhere in the state, minimum salary thresholds increased from \$1,064.25 per week (or \$55,341 annualized) to \$1,124.20 per week (or \$58,458.40 annualized). These minimum salary thresholds will continue to increase in 2025 and 2026 keyed to the increase in the CPI. The new law does not implement any changes to any of the job duties tests.

Employers should note that while New York does not impose a minimum salary threshold for employees employed in a *bona fide* professional capacity, such employees remain subject to the lower federal minimum salary threshold for overtime exemption eligibility under the Fair Labor Standards Act (“FLSA”). As addressed in our [previous client alert](#), the U.S. Department of Labor published a proposed rule in September 2023 which, if and when finalized, would increase the minimum salary threshold under the FLSA for overtime exemption from \$684 per week (or \$35,568 annualized) to \$1,059.00 per week (or \$55,068.00 annualized). The public notice and comment period for the proposed rule closed on November 7, 2023.

Increases to Minimum Earnings Thresholds for Exemptions to Pay Method and Frequency Obligations

Article 6 of the NYLL governs method of payment and pay frequency requirements for executive, administrative and professional employees who meet a separate minimum earnings threshold for overtime purposes. Previously employees falling into these categories and who earned at least \$900 per week were exempt from the following restrictions:

- the requirement to pay “a clerical and other worker” “not less frequently than semi-monthly” (NYLL § 191(d)), and
- the requirement to obtain “advance written consent” to pay wages via direct deposit (NYLL § 192).

Senate Bill S5572, signed into law by Governor Hochul on September 15, 2023, and effective on March 13, 2024, increases this earnings threshold from \$900 to \$1,300 per week to maintain exemption from the above-referenced limitations.

Thus, employers must maintain awareness of each separate salary threshold in order to treat employees as overtime exempt, exempt from frequency of payment/direct deposit requirements, or both.

Conclusion

New York employers must fully familiarize themselves with the new minimum wage and minimum earnings thresholds. This is particularly important, given that, as we previously [wrote](#), New York has joined several other states in making an employer’s failure to comply with wage and hour legislation a criminal offense. Employers will want to review their pay practices and employee classifications to understand the changes necessary to ensure compliance. As a best practice, and given the recent legislative at both the federal and state levels, employers should assess their pay policies and practices on a continuous basis and consult with legal counsel, as appropriate.

Key Contacts

Our Labor & Employment Law team is available to help employers navigate updates to the NYLL and FLSA and enabling regulations and guidance, and to provide counseling and assistance to ensure full compliance with these ever-changing provisions.

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