



# Attorney General Eliot Spitzer



## MINIMUM WAGE INCREASE

### Starting on January 1, 2005, the New York State Minimum Wage Has Increased to \$6.00/Hour

**Minimum Wage:** The New York State minimum wage is now \$6.00/hour. Most employees working in New York State must now receive an hourly wage of at least \$6.00. This is higher than the current federal minimum wage of \$5.15/hour.

**Overtime:** An employee who receives the minimum wage of \$6.00/hour is entitled to receive \$9.00/hour (1½ times the regular minimum wage rate) for any overtime hours. Overtime hours are hours worked after you have already worked forty hours in one workweek.



**Example:** If you work 50 hours during one workweek, you should be paid:

40 hours x \$6=	\$240
<u>10 hours overtime x \$9=</u>	<u>90</u>
Total wages owed for the week=	\$330

**Tipped employees:** When paying employees who regularly receive tips from customers, employers are allowed to deduct a limited amount of money—called a “tip credit”—from the minimum wage that would otherwise be required. Thus, employers may pay a reduced minimum wage to



tipped employees. The allowable tip credits vary from industry to industry. New tip credits have also gone into effect on January 1, 2005.

**Examples:** Food service workers in the restaurant and hotel industries who earn at least \$2.15/hour in tips may be paid a reduced minimum hourly wage of at least \$3.85/hour.



Other restaurant workers (for example, delivery workers) and most other hotel workers who receive at least \$1.90/hour in tips may be paid a reduced minimum hourly wage of at least \$4.10/hour.



Most other workers in all other industries who receive at least \$1.45 per hour in tips, may be paid a reduced minimum hourly wage of at least \$4.55/hour.

**Meals and Lodging:** Employers may deduct a limited amount from the minimum wage (usually limited to \$1.85 to \$2.05) for each meal provided to an employee. Employers may also deduct a limited amount from the minimum wage, as set by state law, if they provide lodging to their employees.



**Future Increases:** The New York State minimum wage will increase to \$6.75/hour on January 1, 2006 and to \$7.15/hour on January 1, 2007.

If you have questions about your wage and hour rights, or if you are not being paid at least \$6.00 per hour, please call the Labor Bureau of the New York State Attorney General’s Office at (212) 416-8700 or you can contact us on our website at [www.oag.ny.gov](http://www.oag.ny.gov)