



This Advisory summarizes the 2021 Minimum Wage Increases that are scheduled to go into effect 12/31/2020. Over the past 3 years, the minimum wage thresholds for employees in NY State have been increasing. In keeping with these increases, the new tiered rates across the State, for both HOURLY AND SALARIED employees effective December 31, 2020, are listed below.

Further, I have attached our 2021 FLSA Questionnaire (Fair Labor Standards Act) , a PowerPoint that overviews the FLSA requirements and salary thresholds for Salaried employees in NY State and, lastly, a FLSA Definitions document for reference.

### **2021 Minimum Wage Rates**

The increases depend on employer size and location. The minimum wage rate for New York City employers remains \$15 per hour for all employers.

<b>Size/Location of Employer</b>	<b>Minimum Wage as of December 31, 2020</b>
New York City, 11 or more employees	\$15.00
New York City, 10 or fewer employees	\$15.00
Long Island and Westchester employers, regardless of size of employer	\$14.00
Remainder of state, regardless of size of employer	\$12.50

Along with the increase to the minimum wage, the amounts that employers can deduct from employees' wages for items such as uniform allowances and meals are also set to change on December 31. The Department of Labor on its website has summarized the revisions applicable to [hospitality employers](#), employers in "[miscellaneous industries](#)," and employers in the "[building service industry](#)." Employers should consult these summaries to determine how much they can deduct for a uniform allowance and claim for meal, lodging and tip credits.

### **Elimination of Subminimum Wage for "Miscellaneous Industries"**

Effective December 31, the subminimum wage will be eliminated for employers covered by the "miscellaneous industries" wage order. The "subminimum wage" is a wage paid by employers that, in combination with the average of tips received by the employees (a "tip credit"), equals or exceeds the state minimum wage.

Effective June 30, 2020, the allowable tip credit for employers covered by the "miscellaneous industries" wage order was [reduced](#) by fifty percent. December 31 marks the complete elimination of the subminimum wage for these "miscellaneous" employers. The subminimum remains permissible for all other categories of employers to pay tipped workers, including hospitality industry employers (*i.e.*, restaurants and hotels).

**Salary Threshold for Exempt Employees (2021)**

Finally, the tiered salary thresholds required for exempt status are also rising effective December 31, 2020. Like the minimum wage, the salary levels depend on employer size and location. They are as follows:

<b>Size/Location of Employer</b>	<b>Salary Threshold as of December 31, 2020</b>
New York City, 11 or more employees	\$1,125.00 per week (\$58,500.00 per year)
New York City, 10 or fewer employees	\$1,125.00 per week (\$58,500.00 per year)
Nassau, Suffolk, and Westchester counties, regardless of size of employer	\$1,050.00 per week (\$54,600.00 per year)
Remainder of State, regardless of size of employer	\$937.50 per week (\$48,750 per year)

For any of our clients who currently has employees under these minimum wage amounts, we will increase these employee's salaries to the new minimums effective December 31, 2020