



State Minimum Wage Increases Effective January 1, 2013

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Employers with multi-state operations must remain abreast of developments in state and local wage and hour legislation, such as increases in state minimum wages. Many of these increases, effective January 1, 2013, are required by state laws providing for annual increases based on the U.S. Consumer Price Index and inflation. The increases are as follows:

Arizona – Standard minimum wage increases from \$7.65 to \$7.80 an hour. Minimum wage for tipped employees increases from \$4.65 to \$4.80. (The definition of a “tipped employee” differs under various state laws. However, the term is most commonly used for certain service employees in the hospitality industry.)

Colorado – Standard minimum wage increases from \$7.64 to \$7.78 an hour. Minimum wage for tipped employees increases from \$4.62 to \$4.76 an hour.

Florida – Standard minimum wage increases from \$7.67 to \$7.79 an hour. Minimum wage for tipped employees increases from \$4.65 to \$4.77 an hour.

Missouri – Standard minimum wage increases from \$7.25 to \$7.35 an hour. Minimum wage for tipped employees increases from \$3.63 to \$3.68 an hour.

Montana – Standard minimum wage increases from \$7.65 to \$7.80 an hour. (Montana law does not allow employers to take a tip credit against minimum wage for tipped employees.)

Ohio – Standard minimum wage increases from \$7.70 to \$7.85 an hour. Minimum wage for tipped employees increases from \$3.85 to \$3.93 an hour.

Oregon – Standard minimum wage increases from \$8.80 to \$8.95 an hour. (Oregon law does not allow employers to take a tip credit against minimum wage for tipped employees.)

Rhode Island – Standard minimum wage increases from \$7.40 to \$7.75 an hour. Minimum wage for tipped employees remains \$2.89 an hour. (The Rhode Island increase is made pursuant to legislation enacted earlier in 2012. This legislation is not directly linked to the U.S. Consumer Price Index and does not provide for annual increases.)

Vermont – Standard minimum wage increases from \$8.46 to \$8.60 an hour. Minimum wage for tipped employees increases from \$4.10 to \$4.17 an hour.

Washington – Standard minimum wage increases from \$9.04 to \$9.19 an hour. (Washington law does not allow employers to take a tip credit against minimum wage for tipped employees.)

Certain localities also have implemented minimum wage legislation. For example, in San Francisco, California, the minimum wage will increase on January 1st from \$10.24 to \$10.55 an hour. Moreover, San Jose, California, will implement a minimum wage of \$10.00 an hour effective March 2013. (California law does not allow employers to take a tip credit against minimum wage for tipped employees.) In addition, the Albuquerque, New Mexico, minimum wage will increase from \$7.50 to \$8.50 effective January 1st. Pursuant to the Albuquerque legislation,

beginning on January 1, 2013, employers must pay tipped employees at least 45% of the minimum wage in cash and beginning on January 1, 2014, and each year thereafter, employers must pay tipped employees at least 60% of the minimum wage in cash.

Jackson Lewis attorneys are available to discuss these legislative changes and any other wage and hour issues applicable to your organization on a federal, state or local level. Please contact Paul DeCamp, at (703) 483-8300 or DeCampP@jacksonlewis.com, Richard Greenberg, at (212) 545-4000 or GreenbeR@jacksonlewis.com, Jason A. Zoldessy, at (212) 545-4000 or ZoldessJ@jacksonlewis.com, or the Jackson Lewis attorney with whom you regularly work.

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Wage and Hour Compliance