



# THE MAXOUT GROUP

## CONSULTING

November 2024

## Minimum Wage & Other Adjustments for 2025

As we approach the beginning of a new year, it is crucial for New York employers to prepare for several wage-related adjustments that will take effect on January 1, 2025. These adjustments include an increase in the state's hourly minimum wage rates, as well as changes to the tip credit, meal credit, uniform allowance, and salary exemption thresholds.

To ensure compliance with these upcoming changes, employers should proactively plan ahead. It is recommended that employers collaborate with their payroll teams or providers to update their rate of pay forms and pay stubs in accordance with the new rates.

Additionally, employers must issue updated Notice of Pay Rate forms to all employees whose pay rates, tip credits, or meal credits will be affected. These forms are critical for ensuring that employees are informed of their pay terms and are available from the Department of Labor at the following link: [Notice of Pay Rate | Department of Labor](#) You can also find the Notice of Pay Rate in other languages for non-English speaking employees. A sample of a fully filled Notice Of Pay Rate can be found by following this link: \_\_\_\_\_

Failing to make these necessary adjustments poses a significant risk of legal liability. It is essential that employers take these steps seriously to safeguard their businesses and ensure compliance with state regulations.

### Increase In Minimum Wage for Tipped Food Service Employees

Starting January 1, 2025, the minimum wage and the minimum cash wage for tipped food service workers will increase. This adjustment aims to better support employees who rely on tips as a significant portion of their income.

For clarification, a "food service worker" is defined as any employee—excluding delivery personnel—who is primarily engaged in serving food or beverages to guests, patrons, or customers and who regularly receives tips from these individuals. Common roles in this category include servers, bartenders, bussers, and runners.

The current and upcoming wage rates are detailed below:

## New York City, Long Island and Westchester County

	<b>Current Rate</b>	<b>New Rate, Effective Jan. 1, 2025</b>
<b>Minimum Wage</b>	\$16.00	\$16.50
<b>Minimum Overtime Rate</b>	\$24.00	\$24.75
<b>Cash Wage to Tipped Food Service Workers</b>	\$10.65	\$11.00

<b>Overtime Wage to Tipped Food Service Workers</b>	\$18.65	\$19.25
<b>Tip Credit for Food Service Workers</b>	\$5.35	\$5.50

## Rest of New York State

	<b>Current Rate</b>	<b>New Rate, Effective Jan. 1, 2025</b>
<b>Minimum Wage</b>	\$15.00	\$15.50
<b>Minimum Overtime Rate</b>	\$22.50	\$23.25
<b>Cash Wage to Tipped Food Service Workers</b>	\$10.00	\$10.35
<b>Overtime Wage to Tipped Food Service Workers</b>	\$17.50	\$18.10
<b>Tip Credit for Food Service Workers</b>	\$5.00	\$5.15

## Changes to the Tip Credit for Service Employees

The minimum wage and minimum cash wage rate for service employees will increase on January 1, 2025. As a reminder, a “service employee” is any employee, *other* than a food service worker who customarily receives tips. Service employees may include, but are not limited to, coat-check and bathroom attendants. To take a tip credit against the wages of a service employee, that employee must meet the “tip threshold,” which means that the employee’s average weekly tips must meet the minimum amount set forth below.

Employers that have service employees who are covered under [the Miscellaneous Industries and Occupations Wage Order](#) are reminded, however, that since January 1, 2021 they cannot take any tip credit against those employees’ wages.

The current and new rates are set forth below:

## New York City, Long Island and Westchester County

	<b>Current Rate</b>	<b>New Rate, Effective Jan. 1, 2025</b>
<b>Minimum Wage</b>	\$16.00	\$16.50

<b>Minimum Overtime Rate</b>	\$24.00	\$24.75
<b>Cash Wage for Service Employees</b>	\$13.35	\$13.75
<b>Overtime Wage for Service Employees</b>	\$21.35	\$22.00
<b>Tip Credit for Service Employees</b>	\$2.65	\$2.75
<b>Tip Threshold for Service Employees</b>	\$3.45	\$3.55

## Rest of New York State

	<b>Current Rate</b>	<b>New Rate, Effective Jan. 1, 2025</b>
<b>Minimum Wage</b>	\$15.00	\$15.50
<b>Minimum Overtime Rate</b>	\$22.50	\$23.25
<b>Cash Wage for Service Employees</b>	\$12.50	\$12.90
<b>Overtime Wage for Service Employees</b>	\$20.00	\$20.90
<b>Tip Credit for Service Employees</b>	\$2.50	\$2.60
<b>Tip Threshold for Service Employees</b>	\$3.20	\$3.30

## Upcoming Changes to the Meal Credit

Under New York law, employers (other than those covered by [Building Service Industry Wage Order](#)) who provide meals to employees may lawfully take a “meal credit” against an employee’s wages for each shift that they furnish a meal to the employee.

Most employers may lawfully take a meal credit against an employee’s wages for each shift that

they furnish a meal to the employee, provided, the meal consists of at least one of the types of food from each of the four of the following groups:

- fruits or vegetables
- grains or potatoes
- eggs, meat, fish, poultry, dairy, or legumes
- tea, coffee, milk or juice.

**Employers must keep records of the meals they provide to employees and the actual cost of such meals.**

Employees of certain nonprofits, as well as those covered by the Building Service Industry Wage Order (such as superintendents of residential buildings), may not have their wages deducted due to any employer-furnished meal.

The amount an applicable employer may take against the wages of employees is as follows:

**All Counties Within New York State**

	<b>Current Amount</b>	<b>New Amount, Effective Jan. 1, 2025</b>
<b>Food Service Employees</b>	\$3.85	\$3.95
<b>Service Employees</b>	\$4.45	\$4.60
<b>Non-Service Employees</b>	\$5.50	\$5.65

“Food Service Employees” and “Service Employees” are defined above. “Non-Service Employees” are any nonexempt employees other than a food service worker or service employee, such as a line cook. Meal credits cannot be taken towards the wages of exempt employees.

For Non-Service Employees who work in the rest of New York State and who are covered by Miscellaneous Industries and Occupations Wage Order, the meal credit will increase from \$5.20 per meal to \$5.35 per meal, effective January 1, 2025. Further, employers with employees covered by the [Minimum Wage Order for Farm Workers](#) will not experience a change in the meal credit. They may continue to take a meal credit of \$1.70 against an employee’s wages.

**Changes to the Uniform Allowance**

Under New York law, if an employer requires an employee to wear a uniform, the employer can either launder and maintain the uniform itself, or pay the employee an allowance, also known as “Uniform Maintenance Pay,” on a weekly basis. The amount an employer must pay an employee as Uniform Maintenance Pay depends on the number of hours worked by the employee during the week. A “required uniform” is defined as “clothing required to be worn while working at the request of an employer” that may *not* be worn as part of an employee’s ordinary wardrobe outside of work. Uniforms may include, but are not limited to, chef’s coats and aprons.

Note that employers with employees covered under the Minimum Wage Order for Farm Workers, as well as certain nonprofits, are not required to pay any uniform maintenance pay.

Employers to which this applies can expect to see the following changes to Uniform Maintenance Pay:

### **New York City, Long Island and Westchester County**

	<b>Current Rate</b>	<b>New Rate, Effective Jan. 1, 2025</b>
<b>Work Week More than 30 Hours</b>	\$19.90	\$20.50
<b>Work Week Between 20-30 Hours</b>	\$15.75	\$16.25
<b>Work Week 20 Hours or Less</b>	\$9.50	\$9.80

### **Rest of New York State**

	<b>Current Rate</b>	<b>New Rate, Effective Jan. 1, 2025</b>
<b>Work Week More than 30 Hours</b>	\$18.65	\$19.25
<b>Work Week Between 20-30 Hours</b>	\$14.80	\$15.30
<b>Work Week 20 Hours or Less</b>	\$8.95	\$9.25

## **Changes to Salary Exempt Threshold**

Depending on their job duties, certain employees may be exempt from overtime requirements under the law. This typically includes, but is not limited to, executive, managerial and administrative employees. To be exempt from overtime, under New York law, these employees must also be paid a minimum amount per week, depending on the size and location of the employer.

The salary threshold for employment exempt status will increase, as set forth below:

### **New York Salary Exempt Thresholds**

<b>Region (in Which Employer is Based)</b>	<b>Current Weekly Minimum</b>	<b>New Weekly Minimum, Effective Jan. 1, 2025</b>
<b>New York City, Long Island, and Westchester County</b>	\$1,200.00 (\$62,400.00 per year)	\$1,237.50 (\$64,350.00 per year)
<b>Rest of New York</b>	\$1,124.20 (\$58,458.40 per year)	\$1,161.65 (\$60,405.80 per year)

Please note, however, an employee's salary is only one part of determining whether the employee is properly categorized as exempt from overtime requirements. To be exempt an employer must

also satisfy a job duties test. In short, an employer cannot categorize an employee as exempt simply based on their weekly salary.

### **Be Prepared and Consult a Qualified Professional With Any Questions**

Employers should consult with a qualified professional to ensure they are prepared for these wage-related adjustments, which will take effect on January 1, 2025. The failure to make the necessary modifications could subject employers to significant legal liability, and labor disputes.