Engage PEO Client Alert

2023 Minimum Wage Updates

The highlighted states will raise the minimum wage in 2023.

STATE OR LOCALITY	MINIMUM WAGE RATE	MAXIMUM TIP CREDIT	MINIMUM TIPPED WAGE	NOTES & FUTURE SCHEDULED INCREASES
FEDERAL MINIMUM	*$7.25*	*$5.12*	*$2.13*	*Tipped employees must regularly earn at least $30 per month in tips.*
FEDERAL CONTRACTORS	*$15.00. Applicable to federal contracts entered into on or after Jan. 30, 2022, or the exercise of new options based on existing contracts.*	*$3.35*	*$7.90*	
Alabama	*$7.25**	*Federal law applies*	*Federal law applies*	
Alaska	*$10.85*	*Tip credit prohibited*	*Tip credit prohibited*	
Arizona	*$13.85*	*$3.00*	*$10.85*	
Flagstaff	*$16.80*			
Tucson	*$13.85*			
Arkansas	*$11.00*	*$8.37*	*$2.63*	*Tipped employees must regularly earn at least $20 per month in tips.*
California	*$15.50*	*Tip credit prohibited*	*Tip credit prohibited*	
Belmont	*$16.75*	**	**	
Burlingame	*$16.47*	**	**	
Cupertino	*$17.20*	**	**	
Daly City	*$16.07*	**	**	
East Palo Alto	*$16.50*	**	**	
El Cerrito	*$17.35*	**	**	
Foster City	*$16.50*	**	**	
Hayward	*$16.34 for 26 or more Employees;* *$15.50 for 25 or less employees*	**	**	
Los Altos	*$17.20*	**	**	
Menlo Park	*$16.20*	**	**	
Mountain View	*$18.15*	**	**	
Novato	*$16.32 for 100+ employees* *$16.07 for 26-99 employees* *$15.53 for 25 or less employees*	**	**	
Oakland	*$15.97*	**	**	

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Palo Alto	*$17.25*	**	**	
Petaluma	*$17.06*	**	**	
Redwood City	*$17.00*	**	**	
Richmond	*$16.17*	**	**	
San Carlos	*$16.32*	**	**	
San Diego	*$16.30*	**	**	
San Jose	*$17.00*	**	**	
San Leandro	*$15.50*	**	**	
San Mateo (city)	*$16.75*	**	**	
San Mateo (county)	*$15.50*	**	**	
Santa Clara	*$17.20*	**	**	
Santa Rosa	*$17.06*	**	**	
Sonoma	*$17.00 for 26+ employees; $16.00 for 25 or less employees*	**	**	
S. San Francisco	*$16.70*	**	**	
Sunnyvale	*$17.95*	**	**	
West Hollywood	*$17.50 for 50+ employees $17.00 for 49 and under*	**	**	
Colorado	*$13.65*	*$3.02*	*$10.63*	*Tipped employees must regularly earn at least $30 per month in tips.*
Denver	*$17.29*	**	**	
Connecticut	*$14.00*	*36.8 percent for hotels and restaurants; 18.5 percent for bartenders*	*$6.38 for hotels and restaurants; $8.23 for bartenders*	*For hotels and restaurants, full-time tipped employees must earn at least $10 weekly in tips; part-time employees must earn at least $2 daily in tips. Tip credit may not be used for pizza delivery drivers.* ***Increasing to $15.00 effective 06/01/23.***

STATE OR LOCALITY	MINIMUM WAGE RATE	MAXIMUM TIP CREDIT	MINIMUM TIPPED WAGE	NOTES & FUTURE SCHEDULED INCREASES
Delaware	*$11.75*	*$9.52*	*$2.23*	*Tipped employees must regularly earn at least $30 per month in tips.* ***Increasing to $13.25 effective 1/1/24.*** ***Increasing to $15.00 effective 1/1/25.***
D.C.	*$16.10*	*$10.75*	*$5.35*	***Adjusted annually in July***
Florida	*$11.00*	*$3.02*	*$7.98*	*Tipped employees must regularly earn at least $30 per month in tips.* ***Increasing to $12.00 effective 09/30/23.*** ***Increasing to $13.00 effective 9/30/24.***
Georgia	*$7.25**	*Federal law applies*	*Federal law applies*	
Hawaii	*$12.00*	*$1.00*	*$11.00*	*Employees must regularly earn at least $20 per month in tips; combined wage must be at least $7.00 more than the applicable minimum wage.* ***Increasing to $14.00 effective 1/1/24.***
Idaho	*$7.25*	*$3.90*	*$3.35*	*Tipped employees must regularly earn over $30 per month in tips.*
Illinois	*$13.00*	*$5.20*	*$7.80*	*Tipped employees must regularly earn at least $20 per month in tips.* ***Increasing to $14.00 effective 1/1/24.***
Indiana	*$7.25*	*$5.12*	*$2.13*	*Employees must regularly earn at least $30 per month in tips.*
Iowa	*$7.25*	*$2.90*	*$4.35*	*Employees must regularly earn at least $30 per month in tips.*
Kansas	*$7.25*	*Federal law applies*	*Federal law applies*	*Employees must regularly earn at least $20 per month in tips.*

STATE OR LOCALITY	MINIMUM WAGE RATE	MAXIMUM TIP CREDIT	MINIMUM TIPPED WAGE	NOTES & FUTURE SCHEDULED INCREASES
Kentucky	*$7.25*	*Federal law applies*	*Federal law applies*	*Employees must regularly earn at least $30 per month in tips.*
Louisiana	*$7.25**	*Federal law applies*	*Federal law applies*	
Maine	*$13.80*	*$6.90*	*$6.90*	*Employees must regularly earn at least $30 per month in tips.*
Portland	*$14.00*	**	**	
Rockland	*$14.00*	**	**	
Maryland	*$13.25 for businesses with 15 or more employees.* *$12.80 for businesses with 14 or fewer employees.*	*$9.62 / $9.17*	*$3.63*	***Increasing to $14.00 effective 1/1/24 for businesses with 15 or more employees; $13.40 for businesses with 14 or fewer employees.***
Howard County	*$15.00 ("large" employers - businesses with 15 or more employees)* *$13.25 ("small" employers - businesses with 14 or fewer employees)*	**	**	
Massachusetts	*$15.00*	*$8.85*	*$6.15*	*Employees must receive at least $20 per month in tips.*
Michigan	*$10.10*	*$6.12*	*$3.98*	***Increasing to $12.00 effective 02/20/23.***
Minnesota	*$10.59 large employers (annual gross revenue $500,000 or more); $8.63 small employers (annual gross revenue less than $500,000)*	*Tip credit prohibited*	*Tip credit prohibited*	
Minneapolis	*$15.19*	**	**	
St. Paul	*$15.19*	**	**	
Mississippi	*$7.25**	*Federal law applies*	*Federal law applies*	
Missouri	*$12.00*	*50 percent*	*$6.00*	
Montana	*$9.95*	*Tip credit prohibited*	*Tip credit prohibited*	
Nebraska	*$10.50*	*$8.37*	*$2.13*	
Nevada	*$10.50 without health benefits;*	*Tip credit prohibited*	*Tip credit prohibited*	***Increasing to $11.25 without health benefits; $10.25 with health benefits effective 07/01/23.*** ***Increasing to $12.00 without health benefits; $11.00 with health benefits effective 07/01/24.***

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New Hampshire	*$7.25*	*$3.98*	*45 percent*	*Employees must regularly earn at least $30 per month in tips.*
New Jersey	*$14.13 for employers with more than 5 employees; $12.93 for employers with 5 or fewer employees; $17.13 for Long-term care facility staff*	*$8.87*	*$5.26*	
New Mexico	*$12.00*	*$9.00*	*$3.00*	*Employees must regularly earn at least $30 per month in tips.*
City of Santa Fe	*$12.95*	**	**	
Santa Fe County	*$12.95*	**	**	
New York	*$14.20*	*Tipped Service Employees: $2.35* *Tipped Food Service Workers: $4.75*	*Tipped Service Employees: $11.85* *Tipped Food Service Workers: $9.45*	***New York's wage increases go into effect 12/31/2022.*** *See industry wage orders for additional requirements.* *Effective 10/1/2022, the minimum wage for home care aides as defined in Public Health Law § 3614-c increased by $2.00 per hour above the basic minimum hourly rate.*
New York City, Long Island & Westchester County	*$15.00*	*Tipped Service Employees: $2.50* *Tipped Food Service Employees: $5.00*	*Tipped Service Employees: $12.50* *Tipped Food Service Employees: $10.00*	***New York's wage increases go into effect 12/31/2022.***
Fast food employees in New York City and outside of New York City (in fast food establishments)	*$15.00*	**	**	*Employers cannot claim a tip credit for fast food employees.*
North Carolina	*$7.25*	*$5.12*	*$2.13*	*Employees must regularly earn at least $30 per month in tips.*
North Dakota	*$7.25*	*33 percent*	*$4.86*	*Employees must regularly earn at least $30 per month in tips.*

STATE OR LOCALITY	MINIMUM WAGE RATE	MAXIMUM TIP CREDIT	MINIMUM TIPPED WAGE	NOTES & FUTURE SCHEDULED INCREASES
Ohio	*$10.10 for employers with gross receipts of $342,000 or more;* *$7.25 for employers with gross receipts under $342,000.*	*$5.05 / $ 3.63*	*$5.05 / 3.63*	*Tipped employees must regularly earn at least $30 per month in tips.*
Oklahoma	*$7.25*	*50 percent*	*$3.63*	
Oregon	*$14.75 for businesses in Portland metro areas;* *$13.50 for businesses in Urban counties;* *$12.50 for businesses in Rural counties*	*Tip credit prohibited*	*Tip credit prohibited*	*An employer's location affects minimum wage rate.* ***Scheduled increases effective 07/01/23:*** ***Standard Counties*** *(Including Benton, Clatsop, Columbia, Deschutes, Hood River, Jackson, Josephine, Lane, Lincoln, Linn, Marion, Polk, Tillamook, Wasco, Yamhill counties):* ***adjusted annually based on the increase, if any, to the US City average Consumer Price Index for All Urban Consumers effective 7/1/23.*** ***Counties within Portland's metro area*** *(Including Clackamas, Multnomah, and Washington counties):* ***$1.25 over the standard minimum wage effective 07/01/23.*** ***Portland's non- urban counties/not within the growth boundary*** *(Including Baker, Coos, Crook, Curry, Douglas, Gilliam, Grant, Harney, Jefferson, Klamath, Lake, Malheur, Morrow, Sherman, Umatilla, Union, Wallowa, Wheeler counties):* ***$1.00 less than the standard minimum wage.***

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Pennsylvania	*$7.25*	*$4.42*	*$2.83*	*Employees must regularly earn at least $135 per month in tips.*
Rhode Island	*$13.00*	*$9.11*	*$3.89*	***Increasing to $14.00 effective 1/1/24.***
South Carolina	*$7.25**	*Federal law applies*	*Federal law applies*	
South Dakota	*$10.80*	*$5.40*	*$5.40*	*Tipped employee must regularly earn at least $35 per month in tips and cash wage must be at least one-half of minimum wage.*
Tennessee	*$7.25**	*Federal law applies*	*Federal law applies*	
Texas	*$7.25*	*$5.12*	*$2.13*	
Utah	*$7.25*	*$5.12*	*$2.13*	*Tipped Employees must receive at least $30 per month in tips.*
Vermont	*$13.18*	*$6.59*	*$6.59*	*An employee of a hotel, motel, tourist place, or restaurant who regularly receives more than $120 in tips per month must be paid a basic tip wage rate of one-half Vermont's minimum wage, unless the U.S. rate is higher, then one-half of the U.S. minimum wage rate.*
Virginia	*$12.00*	*$9.87*	*$2.13*	*Tipped Employees must regularly receive tips totally more than $30 each month.*
Washington	*$15.74*	*Tip credit prohibited*	*Tip credit prohibited*	
West Virginia	*$8.75*	*$6.13*	*$2.62*	
Wisconsin	*$7.25*	*$4.92*	*$2.33*	
Wyoming	*$7.25**	*$5.12*	*$2.13*	*Tipped Employees must regularly earn at least $30 per month in tips.*

** The minimum wage information provided in this alert is for informational purposes only and is based on known increases at the time of publication. Some jurisdictions may announce their increases subsequent to this alert. Employers in states without minimum wage laws, or with minimum wage rates lower than the federal minimum wage, which is currently $7.25 an hour, must observe the federal minimum wage for all employees covered by the Fair Labor Standards Act. States that permit tip credits require employers to ensure that the employees' tips and the reduced hourly wage rate equal at least the required minimum wage rate and must keep accurate records of employees' tips. Check your local laws to confirm compliance.*

*** Maximum tip credit and minimum tipped wage information are not tracked on this chart for counties or municipalities.*

**** Youth, job training participant, agricultural, and seasonal rates are not tracked on this chart.*