Engage PEO Client Alert

2023 Minimum Wage Updates

The highlighted states will raise the minimum wage in the second half of 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*	*$3.35*	*$7.90*	*Applicable to federal contracts entered into on or after Jan. 30, 2022, or the exercise of new options based on existing contracts.*
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*	
Alameda	*$15.75*	**	**	***Will increase to $16.52 on 7/1/23***
Belmont	*$16.75*	**	**	
Berkeley	*$16.99*	**	**	***Will increase to $18.07 on 7/1/23***
Burlingame	*$16.47*	**	**	
Cupertino	*$17.20*	**	**	
Daly City	*$16.07*	**	**	
East Palo Alto	*$16.50*	**	**	
El Cerrito	*$17.35*	**	**	
Emeryville	*$17.68*	**	**	***Will increase to $18.67 on 7/1/23***
Foster City	*$16.50*	**	**	
Fremont	*$16.00*	**	**	***Will increase to $16.80 on 7/1/23***
Half Moon Bay	*$16.45*	**	**	
Hayward	*$16.34 for 26 or more Employees; $15.50 for 25 or less employees*	**	**	

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Los Altos	*$17.20*	**	**	
Los Angeles	*$16.04 for the city of Los Angeles* *$15.96 in unincorporated county*	**	**	***Will increase to $16.78 on 7/1/23 for the City of Los Angeles*** ***Will increase to $16.90 on 7/1/23 for the County of Los Angeles (unincorporated areas only)***
Malibu	*$15.96 for 25 or fewer employees* *$15.00 for 26+ employees*	**	**	***Will increase to $16.90 on 7/1/23***
Menlo Park	*$16.20*	**	**	
Milpitas	*$16.40*	**	**	***Will increase to $17.20 on 7/1/23***
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* *$17.37 for Hotel Workers with benefits* *$23.15 for Hotel Workers without benefits*	**	**	
Palo Alto	*$17.25*	**	**	
Pasadena	*$16.11*	**	**	***Will increase to $16.93 on 7/1/23***
Petaluma	*$17.06*	**	**	
Redwood City	*$17.00*	**	**	
Richmond	*$16.17*	**	**	
San Carlos	*$16.32*	**	**	
San Diego	*$16.30*	**	**	
San Francisco	*$16.99*	**	**	***Increasing to $18.07 effective 07/01/23***
San Jose	*$17.00*	**	**	
San Leandro	*$15.50*	**	**	
San Mateo (city)	*$16.75*	**	**	
San Mateo (county)	*$16.50*	**	**	
Santa Clara	*$17.20*	**	**	
Santa Monica	*$15.96*	**	**	***Will increase to $16.90 on 7/1/23***

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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 $18.35 for hotel employees*	**	**	***Increasing to $19.08 for employees of large employers, small employers, and hotels effective 07/01/23***
Colorado	*$13.65*	*$3.02*	*$10.63*	*Tipped employees must regularly earn at least $30 per month in tips.*
Denver	*$17.29*	**	**	
Connecticut	***$15.00 as of 6/1/2023***	*$6.77 for Bartenders* *$8.62 for Hotel, Restaurant Employees* *Other industries, the tip credit cannot exceed $0.35 per hour*	*$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.*
Delaware	*$11.75*	*$9.52*	*$2.23*	*Tipped employees must regularly earn at least $30 per month in tips.*
D.C.	*$16.10*	*$10.10*	*$6.00* ***Minimum tipped wage to increase to $8.00 on 7/1/23.***	***Increasing to $17.00 effective 7/1/23.***
Florida	*$11.00*	*$3.02*	*$7.98* ***Minimum tipped wage increasing to $8.98 on 09/30/2023***	*Tipped employees must regularly earn at least $30 per month in tips.* ***Increasing to $12.00 effective 09/30/23***
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.*

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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.*
Chicago	*$15.40 for 21+ employees* *$14.50 for 4-20 employees*	**	**	***Minimum wage increasing to $15.80 on July 1, 2023, for employers with 21 or more employers.*** ***Minimum wage increasing to $15.00 for employers with 4-20 employees.***
Cook County	*$13.30*	**	**	***Minimum wage increasing to $13.70 on July 1, 2023.***
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.*
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*	
Howard County	*$15.00 ("large" employers - businesses with 15 or more employees)* *$13.25 ("small" employers - businesses with 14 or fewer employees)*	**	**	

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Montgomery County	*$16.70 for 51+ employees* *$15.00 for 11-50 employees* *$14.50 for 10 or less employees*	**	**	***Applicable as of 7/1/23***
Massachusetts	*$15.00*	*$8.85*	*$6.75*	*Employees must receive at least $20 per month in tips.*
Michigan	*$10.10* *Minimum wage for minors (16 and 17 years of age) $8.59 per hour. Training minimum wage for new hires age 16-19 for the first 90 days of employment is $4.25 per hour.*	*$6.12*	*$3.84*	***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), 90-day training wage (under 20 years of age), and youth wage (under 18 years of age)*	*Tip credit prohibited*	*Tip credit prohibited*	
Minneapolis	*$15.19 for 100+ employees* *$13.50 for 100 or fewer employees*	**	**	***Minimum wage increasing for employers with under 100 employees to $14.50 per hour on 07/01/2023.***
St. Paul	*As of 07/01/2023, increasing to $15.19 for Macro businesses (10,001+ employees)* *$15.00 for large businesses (101-10,000 employees)* *$13.00 for small businesses (6-100 employees)* *$11.50 for Micro businesses (5 or fewer employees)*	**	**	
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;* *$9.50 with health benefits*	*Tip credit prohibited*	*Tip credit prohibited*	***Increasing to $11.25 without health benefits; $10.25 with health benefits effective 07/01/23.***

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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 6 employees;* *$12.93 for employers with 6 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	*$14.03*	**	**	
Santa Fe County	*$14.03*	**	**	
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 12/31/2023.*** *See industry wage orders for additional requirements.*
New York City, Long Island & Westchester County	*$15.00*	**	**	***New York's wage increases go into effect 12/31/2023***
Fast food employees in New York City and outside of New York City (in fast food establishments)	*$15.00 for employees employed in New York City* *$12.75 for employees employed outside of New York City*	**	**	*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.*
Ohio	*$10.10 for employers with gross receipts of $372,000 or more;* *$7.25 for employers with gross receipts under $372,000.*	*$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*	

STATE OR LOCALITY	MINIMUM WAGE RATE	MAXIMUM TIP CREDIT	MINIMUM TIPPED WAGE	NOTES & FUTURE SCHEDULED INCREASES
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*	***Increase on 7/1/23 to $15.45 for businesses in Portland metro areas.*** ***Increase on 7/1/23 to $14.20 for businesses in Urban counties.*** ***Increase on 7/1/23 to $13.20 for businesses in Rural counties.*** *An employer's location affects the 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*	
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*	
Seattle	*$18.69 for large employers (501+ employees)* *$16.50 for small employers (500 or less employees paying $2.19 towards medical benefits or in tips)* *$18.69 for small employers (500 or less employees not paying $2.19 in medical benefits and/or employee not earning that amount in tips)*	**	**	
SeaTac	*$19.06*	**	**	
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, home health workers, and seasonal rates are not tracked on this chart.*