

Action Required:

New Year and New Minimum Wage Increases & Employment Postings for 2017

As we head into the new year, we would like to take a moment to remind you that there are many state minimum hourly wage changes for 2017. In most of these states, the new minimum wage rates applied as of January 1, 2017, however there are few states will take effect later in 2017. If you are a multi-state employer with operations outside of Massachusetts, it is important to know that many states provide annual increases to the State Minimum Wage based on the U.S. Consumer Price Index and inflation.

Current Federal Minimum Wage Rate

Under the Fair Labor Standards Act (FLSA), the current federal minimum wage is \$7.25 per hour. However, because the FLSA does not supersede any state or local laws that are more favorable to employees, if a state has a minimum wage that is higher than the federal minimum, employers subject to the state minimum wage law are obligated to pay the higher rate to employees working in that state. As of January 1, 2017, the minimum wage rate for federal contractors will rise by five cents, to \$10.20.

Minimum Wage Increased by State

As of January 1, 2017, new minimum wage rates will be in effect in the following states:

- **Alaska:** \$9.80 (up from \$9.75);
- **Arizona:** \$10.00 (up from \$8.05);
- **Arkansas:** \$8.50 (up from \$8.00);
- **Colorado:** \$9.30 (up from \$8.31);
- **Connecticut:** \$10.10 (up from \$9.60);
- **Florida:** \$8.10 (up from \$8.05);
- **Hawaii:** \$9.25 (up from \$8.50);
- **Maine:** \$9.00 (up from \$7.50);
- **Massachusetts:** \$11.00 (up from \$10.00);
- **Michigan:** \$8.90 (up from \$8.50);
- **Missouri:** \$7.70 (up from \$7.65);
- **Montana:** \$8.15 (up from \$8.05);
- **New Jersey:** \$8.44 (up from \$8.38);
- **Ohio:** \$8.15 (up from \$8.10);
- **South Dakota:** \$8.65 (up from \$8.55);
- **Vermont:** \$10.00 (up from \$9.60);
- **Washington:** \$11.00 (up from \$9.47);

In a few other states, minimum wage rates will increase later in 2017, as follows:

- **Oregon:** \$10.25 effective July 1, 2017
- **DC:** \$12.50 effective on July 1, 2017
- **Maryland:** \$9.25 effective July 1, 2017

Other Minimum Wage Changes:



- **California:** California minimum wage updated to \$10.00 per hour for employers with 25 or less employees and \$10.50 per hour for employers with 26 or more employees, effective 1/1/2017.
- **New York:** New York's minimum wage increased on 12/31/2016. In New York City, \$11.00 for Large Employers (11 or more employees) and \$10.50 for Small Employers (10 or less employees). In Long Island and Westchester County, \$10.00. For the remainder of New York State, \$9.70.
- **Federal Contractors:** Minimum Wage updated to \$10.20 per hour, effective January 1, 2017. NEW Paid Sick Leave poster requirement added.

Employment Posting Changes

New Employment Posters are required effective January 1, 2017, nationwide. If you have one or more employees, your business is required by law to post a current State and Federal Employment Poster in a central location. In addition to the minimum wage changes outlined above; the following states had policy changes that will require a new all-in-one poster or peel-n-post effective January 1:

Mandatory Federal Updates

- Fair Labor Standards Act (FLSA): Update as of July 2016 includes new regulation revisions as of August 2016 which includes text regarding nursing mothers and overtime rules.
- Employee Polygraph Notice: Update as of July 2016 includes new regulation revisions as of August 2016 which includes the removal of penalty amount up to \$10,000 against violators and revised contact numbers.

Mandatory State Updates

- Massachusetts: New additional information includes pay deduction law, addition of pregnancy and gender expression as protected classes against discrimination, new rules on reporting pay, and domestic workers' right.
- Vermont: Earned Sick Leave, effective January 1.

Key Next Steps

Minimum Wage

- If HR Knowledge processes your payroll please contact your Client Account Manager to inform them of any employees' hourly rates that need to be changed to meet the new minimum wage requirements.
- If you process your own payroll, please note that when you submit these payrolls, you must make any necessary changes to the employees' rates by entering the new rate in the Pay Rate field found on the Payroll Info page under the Employees tab.

Employment Postings

- HR Knowledge will be sending our clients the most up-to-date All-in-One poster once it is made available (if your current poster does not have a HR Knowledge logo, it is NOT the most recent version of our poster.)



- Full Service Clients of HR Knowledge can expect their new all-on-one employment postings to arrive in the next few weeks. Clients will receive individual notifications with the order tracking information as soon as your postings have been shipped. HR Knowledge provides full-service clients with one employment posting per physical office location.
- The HR Knowledge All-In-One poster satisfies the posting requirements for employers of all sizes, including these new postings. Displaying the posters informs your employees about their labor and employment rights and helps them better understand their requirements. Failure to post required federal and state labor law notices may result in both federal and state fines.
- If you are not a Full Service Client you can purchase our discounted rate All-In-One posters can be on our e-commerce site here.
- When your postings arrive, you must display them in a location accessible to all employees, such as in a break room or near a time clock, and be sure that the postings themselves are completely visible.

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