



## HR Knowledge e-Alert!

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### Action Required: New Minimum Wage Increases for 2018

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 2018. In most of these states, the new minimum wage rates applied as of January 1, 2018. 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.

**HR Knowledge will send further e-Alerts should additional states announce new rates for 2018.**

#### 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. The minimum wage rate for federal contractors will increase to \$10.35 (up from \$10.20).

#### Minimum Wage Increased by State

As of January 1, 2018, new minimum wage rates will be in effect in the following states:

- **Alaska:** \$9.84 (up from \$9.80);
- **Colorado:** \$10.20 (up from \$9.30);
- **Florida:** \$8.25 (up from \$8.10);
- **Hawaii:** \$10.10 (up from \$9.25);
- **Maine:** \$10.00 (up from \$9.00);
- **Michigan:** \$9.25 (up from \$8.90);
- **Minnesota:** \$9.65 (up from \$9.50)
- **Montana:** \$8.30 (up from \$8.15);
- **New Jersey:** \$8.60 (up from \$8.44);
- **Ohio:** \$8.30 (up from \$8.15);
- **Rhode Island:** \$10.10 (up from \$9.60)
- **Vermont:** \$10.50 (up from \$10.00);
- **Washington:** \$11.50 (up from \$11.00);

Other Minimum Wage Changes:

- **California:** California minimum wage updated to \$10.50 per hour for employers with 25 or less employees and \$11.00 per hour for employers with 26 or more employees, effective 1/1/2018.
- **New York:** New York's minimum wage increases on 12/31/17 to \$10.40 (up from \$9.70)

Effective later in 2018:

- **Maryland:** \$10.10 effective July 1, 2018

## 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.

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## About HR Knowledge, Inc.

Founded in 2001, HR Knowledge, Inc. is a privately funded company providing integrated outsourced HR services tailored to our clients' needs. Our full array of offerings includes managed payroll, employee benefits administration, and HR consulting and support services, such as training, compliance, custom-built software solutions, and Hiring Process Management™, our comprehensive recruitment service that takes you from finding to onboarding new talent. Our major markets are fast-growing small- and medium-sized businesses, many of which are venture-capital-backed; foreign companies expanding into the states; and charter schools. Partnering with HR Knowledge can reduce your administrative costs, minimize your legal risk, help you find and develop talent, and alleviate the HR burden so that you can focus on your core business.



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