



Wage Rules Changed for New York Hospitality Employers

On December 31, 2015, new minimum wage rates went into effect for all New York employers as well as new wage payment rules for New York hospitality employers. Hospitality employers are those that operate restaurants and hotels.

- **All New York Employers.** New York's minimum wage increased to \$9.00 per hour and the minimum overtime rate correspondingly increased to \$13.50 per hour. This change affects all New York employers and is not limited to the hospitality industry.
- **Tipped Hospitality Industry Employees.** The minimum wage base for all tipped hospitality employees rose to \$7.50 per hour. This reduced the maximum tip credit that employers may take to \$1.50 per hour. Employers may take a tip credit against the minimum wage if the tipped employee's compensation, including tips, is above the minimum wage, now \$9.00 per hour.
- **Fast Food Workers at Chain Restaurants.** The minimum wage for fast food workers who work at chain restaurants increased to \$9.50 per hour in New York State and to \$10.50 per hour in New York City. This minimum wage applies to workers in restaurants that are part of chains with at least 30 outlets in the United States.
- **Notice Requirements for Hospitality Employers.** Under New York's Wage Theft Prevention Act, hospitality employers must complete new pay notices whenever there is a wage rate change. Therefore, if a hospitality employee's hourly wage increases, even if it is due to the increase in the minimum statutory wage rate, the hospitality employer must provide the employee with the required pay notice for hourly employees, advising of the wage rate adjustment. For tipped employees who receive the minimum wage, employers should indicate that the new wage rate is \$9.00 and that a tip credit of \$1.50 is being taken.

Hospitality employers should take steps to ensure that their pay practices are in compliance with the wage increases and payment notice requirements. Please feel free to reach out to any Pryor Cashman labor and employment attorney with any questions that may arise.



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