

## 20 states will raise their minimum wage by January 1, 2021

Nineteen states will raise their minimum wages on January 1, 2021. New York's increase is effective on December 31, 2020.

<b>State</b>	<b>New minimum wage</b>	<b>Increase</b>
Alaska	<b>\$10.34</b>	<b>15¢</b>
Arizona	<b>\$12.15</b>	<b>15¢</b>
Arkansas	<b>\$11.00</b>	<b>\$1.00</b>
California	<b>\$14.00</b>	<b>\$1.00</b>
Colorado	<b>\$12.32</b>	<b>32¢</b>
Florida	<b>\$8.65</b>	<b>9¢</b>
Illinois	<b>\$11.00</b>	<b>\$1.00</b>
Maine	<b>\$12.15</b>	<b>15¢</b>
Maryland	<b>\$11.75</b>	<b>75¢</b>
Massachusetts	<b>\$13.50</b>	<b>75¢</b>
Minnesota	<b>\$10.08</b>	<b>8¢</b>
Missouri	<b>\$10.30</b>	<b>85¢</b>
Montana	<b>\$8.75</b>	<b>10¢</b>

<b>State</b>	<b>New minimum wage</b>	<b>Increase</b>
New Jersey	<b>\$12.00</b>	<b>\$1.00</b>
New Mexico	<b>\$10.50</b>	<b>\$1.50</b>
New York	<b>\$12.50</b>	<b>70¢</b>
Ohio	<b>\$8.80</b>	<b>10¢</b>
South Dakota	<b>\$9.45</b>	<b>15¢</b>
Vermont	<b>\$11.75</b>	<b>79¢</b>
Washington	<b>\$13.69</b>	<b>19¢</b>

Source: Congressional Research Service, US Department of Labor, individual state government sites, and the National Conference of State Legislatures  
 Graphic: Daniel Wolfe, CNN

Obviously, an increase in the minimum wage will impact the pay for most employees paid the minimum wage. But, just because a retailer pays more than minimum wage does not mean it can ignore these increases.

An increase in the minimum wage may also impact the pay to commissioned salespersons and salaried employees. For example, a commissioned salesperson is exempt from minimum wage and overtime pay, only if over half of the employee's total earnings must be from commissions, and the salesperson's total earnings from commissions and base salary adds up to an effective hourly rate that is more than one and one-half times the state minimum wage. Any increase in the minimum wage, therefore, will automatically increase the minimum total compensation required for commissioned sales.

Similarly, an increase in the minimum wage may impact the salary test for preserving administrative and management employees who are exempt from overtime. A number of states set the salary test as a multiple of the minimum wage. For example, in California a supervisor classified as exempt must be paid a monthly salary that is no less than two times the wages paid to a full-time minimum wage employee. There may be a number of other consequences from the increases of the minimum wage, such as increasing meal and lodging credits.

It is important for flooring retailers, contractors and installers to be vigilant in determining whether their state or local governments have increased the minimum wage and whether that increase impacts other salary requirements. Given the impact of violating these requirements, it is recommended that competent legal or accounting counsel be consulted.

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