

COMPLIANCE OVERVIEW

Provided by Touchstone Consulting Group

2017 Minimum Wage Rates by State

Under the Fair Labor Standards Act (FLSA), the current federal minimum wage rate for nonexempt employees is **\$7.25 per hour**. A number of states have adopted the federal minimum wage rate as their state minimum wage rate.

However, many states require employers to pay a higher minimum wage rate. Whenever employers are subject to both state and federal minimum wage laws, the law that provides the higher wage rate for employees applies.

This Compliance Overview provides a list of minimum wage rates by state or jurisdiction. Note that specific industries or situations may have different rates that apply.

LINKS AND RESOURCES

- Department of Labor (DOL) [website](#) on Minimum Wage Laws in the States
- DOL [Fair Labor Standards Act Advisor](#)
- DOL [Handy Reference Guide to the Fair Labor Standards Act](#)
- [Q&A's](#) About the Minimum Wage

HIGHLIGHTS

MINIMUM WAGE RATES

- Twenty-eight states and the District of Columbia have a minimum wage higher than the federal wage rate.
- Georgia and Wyoming have a minimum wage rate that is lower than the federal wage rate.
- Five states have no minimum wage rate requirement.
- Twelve states have linked their minimum wage rate to a consumer price index. As a result, their minimum wage rates are generally updated every year.

FEDERAL VS. STATE LAW

- When the applicable state and federal minimum wage rates differ, the higher wage rate will apply.

This Compliance Overview is not intended to be exhaustive nor should any discussion or opinions be construed as legal advice. Readers should contact legal counsel for legal advice.

STATE MINIMUM WAGE RATES

The table below provides a list of the minimum wage rates by state. In some instances, the state minimum wage is set to increase to an amount predetermined by law. In other cases, the state minimum wage rate is updated annually to reflect the cost of inflation as determined by a consumer price index (CPI).

State	2017 Rate	2018 Expected Increases and Special Coverage Rules
Alabama	None	N/A
Alaska	\$9.80	Annual increase subject to CPI. New rate becomes effective on Jan. 1.
Arizona	\$10.00	\$10.50 effective on Jan. 1, 2018.
Arkansas	\$8.50	The rate is applicable to employers with four or more employees.
California	\$10 / \$10.50	\$10.50/\$11.00 effective on Jan. 1, 2018. The lower rate applies to employers with 25 or fewer employees.
Colorado	\$9.30	\$10.20 effective on Jan. 1, 2018. The minimum wage rate applies to retail and service, commercial support service, food and beverage, and health and medical industries.
Connecticut	\$10.10	No increase expected for 2018.
Delaware	\$8.25	N/A
District of Columbia	\$12.50	\$13.25 effective on July 1, 2018.
Florida	\$8.10	Annual increase subject to CPI. New rate becomes effective on Jan. 1.
Georgia	\$5.15	Applies to employers with six or more employees. The federal rate applies to employees covered by the FLSA.
Hawaii	\$9.25	\$10.10 effective on Jan. 1, 2018. An employee earning a guaranteed monthly compensation of \$2,000 or more is exempt from the state minimum wage rate. Domestic service workers are subject to Hawaii's minimum wage. State law also excludes from coverage any employment that is subject to the FLSA unless the state wage rate is higher than the federal rate.
Idaho	\$7.25	N/A
Illinois	\$8.25	No increase expected for 2018. The minimum wage rate applies to employers with four or more employees, excluding family members.
Indiana	\$7.25	No increase is expected for 2018. Indiana's minimum wage rate applies to employers with two or more employees.
Iowa	\$7.25	N/A
Kansas	\$7.25	No increase is expected in 2018. State law excludes from coverage any employment that is subject to the FLSA.

State	2017 Rate	2018 Expected Increases and Special Coverage Rules
Kentucky	\$7.25	N/A
Louisiana	none	N/A
Maine	\$9.00	\$10.00 effective on Jan. 1, 2018.
Maryland	\$9.25	\$10.10 effective on July 1, 2018.
Massachusetts	\$11.00	N/A
Michigan	\$8.90	\$9.25 effective on Jan. 1, 2018. The state rate applies to employers with two or more employees. State law excludes from coverage any employment that is subject to the FLSA unless the state rate is higher than the federal rate.
Minnesota	\$9.50/\$7.75	Annual increase subject to CPI. New rate becomes effective on Jan. 1. The \$9.50 rate applies to employers with an annual sales volume of \$500,000 or more.
Mississippi	none	N/A
Missouri	\$7.70	Annual increase subject to CPI. New rate becomes effective on Jan. 1. In addition to the exemption for federally covered employment, the law exempts, among others, employees of a retail or service business with gross annual sales or business done of less than \$500,000.
Montana	\$8.15/\$4.00	Annual increase subject to CPI. New rate becomes effective on Jan. 1. The \$4.00 rate applies to businesses with gross annual sales of \$110,000 or less.
Nebraska	\$9.00	No increase expected for 2018. The minimum wage rate applies to employers with four or more employees.
Nevada	\$8.25/\$7.25	Annual increase subject to CPI. If authorized, new rate becomes effective on July. 1. The \$8.25 rate is without health benefits. The \$7.25 rate is with health benefits.
New Hampshire	\$7.25	N/A
New Jersey	\$8.44	Annual increase subject to CPI. New rate becomes effective on Jan. 1.
New Mexico	\$7.50	N/A
New York	\$9.70	\$10.40 effective on Dec. 31, 2017, for most of the state. However, the new minimum wage varies across the state based on geographical location and, in New York City, employer size.
North Carolina	\$7.25	N/A
North Dakota	\$7.25	N/A
Ohio	\$8.15/\$7.25	Annual increase subject to CPI. New rate becomes effective on Jan. 1. The \$7.25 rate is for employers grossing \$299,000 or less.

State	2017 Rate	2018 Expected Increases and Special Coverage Rules
Oklahoma	\$7.25/\$2.00	Employers of 10 or more full-time employees at any one location and employers with annual gross sales over \$100,000 irrespective of number of full-time employees are subject to federal minimum wage; all others are subject to state minimum wage of \$2.00.
Oregon	\$10.20	\$10.75 effective on July 1, 2018. In addition to the new standard minimum wage rate, SB 1532 sets out a higher rate for employers located in the urban growth boundary, and a lower rate for employers located in nonurban counties.
Pennsylvania	\$7.25	N/A
Rhode Island	\$9.60	N/A
South Carolina	none	N/A
South Dakota	\$8.65	Annual increase subject to CPI. New rate becomes effective on Jan. 1.
Tennessee	none	N/A
Texas	\$7.25	No increase expected in 2018. State law excludes from coverage any employment that is subject to the FLSA.
Utah	\$7.25	No increase expected in 2018. State law excludes from coverage any employment that is subject to the FLSA.
Vermont	\$10.00	\$10.50 effective on Jan. 1, 2018. The state rate applies to employers with two or more employees.
Virginia	\$7.25	No increase expected in 2018. State law excludes from coverage any employment that is subject to the FLSA. The state wage rate applies to employer with four or more employees.
Washington	\$11.00	\$11.50 effective on Jan. 1, 2018.
West Virginia	\$8.75	No increase expected in 2018. The state rate applies to employers with six or more employees at one location.
Wisconsin	\$7.25	N/A
Wyoming	\$5.15	N/A

Sources: U.S. Department of Labor, National Conference of State Legislatures