

# HR Compliance Overview

## 2023 State Minimum Wage Rates

The current federal minimum wage rate is \$7.25 per hour. However, several states have adopted minimum wage rates higher than the federal rate. When both the state rate and the federal rate apply, employers must pay their employees the higher rate. The following states have announced new minimum wage rates for 2023.

- Arizona
- California
- Colorado
- Connecticut
- Delaware
- Florida
- Illinois
- Maryland
- Massachusetts
- Michigan
- Minnesota
- Missouri
- Montana
- Nevada
- New Jersey
- New Mexico
- New York
- Ohio
- Oregon
- Rhode Island
- South Dakota
- Virginia
- Washington

### Links and Resources

U. S. Department of Labor [table of minimum wage by state](#)

U.S. Department of Labor [federal minimum wage](#) page

## Highlights

- ✔ Minimum rate in California no longer depends on the employer's size.
- ✔ States that update their wage rates to reflect the cost of inflation will have substantial minimum wage rate increases.

## Important Dates

- ✔ **Dec. 31, 2022:**  
The minimum wage rate outside of New York City, Long Island and Westchester increases to \$14.20 per hour
- ✔ **Jan. 1, 2023:**  
New minimum wage rates for 17 states
- ✔ **Feb. 19, 2023:**  
New minimum wage rate for Michigan, unless the court decision is overruled
- ✔ **June 1, 2023:**  
New minimum wage rate in Connecticut
- ✔ **July 1, 2023:**  
New minimum wage rate in Nevada
- ✔ **Sept. 30, 2023:**  
New minimum wage rate in Florida

## Minimum Wage Rate by State

The table below provides a high-level summary of minimum wage rates by state and important provisions that regulate how these rates apply.

Jurisdiction	2023 Rate	Effective	Tip Rate/Notes
<b>Alabama</b>	<b>\$7.25</b>	Already in effect	No state minimum wage rate. The federal rate applies.
<b>Alaska</b>	<b>10.34</b>	Already in effect	Tips do not count toward the minimum wage.
<b>Arizona</b>	<b>\$13.85</b>	Jan. 1, 2023	\$10.85 (\$3 below minimum wage rate) for tipped employees.
<b>Arkansas</b>	<b>\$11</b>	Already in effect	\$2.63 for tipped employees. The state rate applies to employers with four or more employees.
<b>California</b>	<b>\$15.50</b>	Jan. 1, 2023	California does not allow employers to use a tip credit. Visit the California Department of Industrial Relations <a href="#">website</a> for state wage orders.
<b>Colorado</b>	<b>\$13.65</b>	Jan. 1, 2023	\$10.63 for tipped employees.
<b>Connecticut</b>	<b>\$15</b>	June 1, 2023	<ul style="list-style-type: none"> <li>• \$6.38 for tipped workers</li> <li>• \$8.23 for bartenders</li> </ul>
<b>D.C.</b>	<b>\$16.10</b>	Already in effect	\$5.35 for tipped employees
<b>Delaware</b>	<b>\$11.75</b>	Jan. 1, 2023	\$2.23 for tipped employees
<b>Florida</b>	<b>\$12</b>	Sept. 30, 2023	\$8.98 for tipped employees.
<b>Georgia</b>	<b>\$7.25</b>	Already in effect	A \$5.15 state rate applies only to workers not covered by the FLSA (very limited exception).
<b>Hawaii</b>	<b>\$12</b>	Already in effect	The maximum allowed tip credit toward the minimum wage is 75 cents per hour.
<b>Idaho</b>	<b>\$7.25</b>	Already in effect	\$3.35 for tipped employees.
<b>Illinois</b>	<b>\$13</b>	Jan. 1, 2023	The state rate applies to employers with four or more employees. Tip credit cannot exceed 40% of the applicable minimum wage. <ul style="list-style-type: none"> <li>• \$7.80 for tipped employees</li> <li>• \$10.50 for youth under the age of 18 working fewer than 650 hours per calendar year</li> </ul>
<b>Indiana</b>	<b>\$7.25</b>	Already in effect	\$2.13 for tipped employees.
<b>Iowa</b>	<b>\$7.25</b>	Already in effect	\$4.35 for tipped employees.
<b>Kansas</b>	<b>\$7.25</b>	Already in effect	\$2.13 for tipped employees.

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Jurisdiction	2023 Rate	Effective	Tip Rate/Notes
<b>Kentucky</b>	\$7.25	Already in effect	\$2.13 for tipped employees.
<b>Louisiana</b>	\$7.25	Already in effect	No state minimum wage rate. The federal rate applies.
<b>Maine</b>	\$12.75	Already in effect	\$6.38 for tipped employees.
<b>Maryland</b>	\$13.25	Jan. 1, 2023	The state rate applies to employers with 15 or more employees. <ul style="list-style-type: none"> <li>• \$3.63 for tipped employees</li> <li>• \$12.80 for employers with 14 or fewer employees</li> </ul> Different rates may apply for <a href="#">Montgomery</a> and <a href="#">Prince George</a> counties.
<b>Massachusetts</b>	\$15	Jan. 1, 2023	\$6.75 for tipped employees.
<b>Michigan</b>	\$12	Feb. 19, 2023	\$9.60 for tipped employees. On July 19, 2022, the Michigan Court of Claims held in <a href="#">Mothering v. Nessel</a> that amendments enacted to the state's minimum wage law by the state legislature in 2018 violate the state constitution and the original ballot measure as adopted by the legislature must go into effect. Employers should continue to monitor the Michigan Department of Labor and Economic Opportunity's <a href="#">website</a> for updates on this fluid development and prepare to adjust their payroll as necessary to comply with the new minimum wage rate requirements by the deadlines mentioned above.
<b>Minnesota</b>	\$10.59/\$8.63	Jan. 1, 2023	No tip credit allowed. The higher rate applies to large employers (\$500,000 or more in annual gross revenue). The \$8.63 rate applies to: <ul style="list-style-type: none"> <li>• Small employers</li> <li>• Employees under 18 years of age (youth wage)</li> <li>• Employees under 20 years of age during their first 90 days of work (training wage)</li> </ul>
<b>Mississippi</b>	\$7.25	Already in effect	No state minimum wage rate. The federal rate applies.
<b>Missouri</b>	\$12	Jan. 1, 2023	\$6 (50% of the current minimum rate) for tipped employees.
<b>Montana</b>	\$9.95/\$4	Jan. 1, 2023	No tip credit, meal credit or training wage is allowed. The lower rate applies to businesses with gross annual sales of \$110,000 or less that are not covered by federal minimum wage law.

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Jurisdiction	2023 Rate	Effective	Tip Rate/Notes
Nebraska	\$9	Already in effect	\$2.13 for tipped employees.
Nevada	\$11.25/10.25	July 1, 2023	The higher rate applies to employees without health benefits. No tip credit is allowed.
New Hampshire	\$7.25	Already in effect	Tipped employees must receive 45% of the applicable rate.
New Jersey	\$14.13	Jan. 1, 2023	The state rate applies to employers with six or more employees. Additional rates may apply to: <ul style="list-style-type: none"> <li>• \$12.93 for seasonal and small employers</li> <li>• \$12.10 for employees who work on a farm for an hourly or piece rate</li> <li>• \$17.13 for long-term care facility direct care staff</li> <li>• \$5.26 for tipped worker cash wage (employers can claim an \$8.87 tip credit)</li> </ul>
New Mexico	\$12	Jan. 1, 2023	\$3 for tipped employees.
New York	\$15 / \$14.20	Dec. 31. 2022	The minimum wage rate in New York varies by location and industry: <ul style="list-style-type: none"> <li>• \$15 for employees in New York City, fast food workers, Long Island and Westchester employees</li> <li>• \$14.20 for the remainder of the state</li> </ul> Additional rates may apply under specific industry wage orders. Visit the New York Department of Labor <a href="#">website</a> for more minimum wage rate information.
North Carolina	\$7.25	Already in effect	\$2.13 for tipped employees.
North Dakota	\$7.25	Already in effect	\$4.86 for tipped employees.
Ohio	\$10.10	Jan. 1, 2023	\$5.05 for tipped employees. Employers that gross less than \$371,000 must pay their employees no less than the current federal minimum wage rate.
Oklahoma	\$7.25/\$2	Already in effect	The higher rate applies to employers with 10 or more full-time employees at any one location and employers with annual gross sales over \$100,000; all other employees not covered by the FLSA are subject to the state minimum wage of \$2 per hour.
Oregon	\$13.50	Already in effect	No tip credit allowed. The following minimum wage rates also apply: <ul style="list-style-type: none"> <li>• \$14.75 for the Portland metropolitan area</li> <li>• \$12.50 for nonurban counties</li> </ul>

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Jurisdiction	2023 Rate	Effective	Tip Rate/Notes
Pennsylvania	\$7.25	Already in effect	\$2.83 for tipped employees.
Rhode Island	\$13	Jan. 1, 2023	\$3.89 for tipped employees.
South Carolina	\$7.25	Already in effect	No state minimum wage rate. The federal rate applies.
South Dakota	\$10.80	Jan. 1, 2023	\$5.40 for tipped employees.
Tennessee	\$7.25	Already in effect	No state minimum wage rate. The federal rate applies.
Texas	\$7.25	Already in effect	\$2.13 for tipped employees.
Utah	\$7.25	Already in effect	\$2.13 for tipped employees.
Vermont	\$12.55	Already in effect	\$6.28 for tipped employees.
Virginia	\$13	Jan. 1, 2023	The minimum wage for tipped employees in Virginia is the same as the minimum wage for all other employees.
Washington	\$15.74	Jan. 1, 2023	No tip credit allowed. Workers who are 14 or 15 years old may be paid 85% of the state minimum wage rate or \$13.38 per hour.
West Virginia	\$8.75	Already in effect	The state rate applies to employers with six or more employees. Employers can take a tip credit of up to 70 percent of the state rate.
Wisconsin	\$7.25	Already in effect	\$2.33 for tipped employees.
Wyoming	\$5.15	Already in effect	\$2.13 for tipped employees. The \$7.25 federal rate applies to employers covered by the FLSA.

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