

Get Ahead of the Game: 2023 Minimum Wage Preview

*An early look at what lies ahead for employers
when it comes to minimum wage management*

INTRODUCTION

WE'RE ONLY MONTHS AWAY FROM THE START OF 2023. AND YOU KNOW WHAT THAT MEANS — MINIMUM WAGE INCREASES ACROSS THE U.S. ARE ON THE HORIZON.

To help you get ahead of the dozens of minimum wage rate increases coming at the beginning of 2023, below is a comprehensive look at the jurisdictions with planned updates — specifically, the **standard rates for large employers**.

Note that many states, counties and cities have moved from scheduled increases to indexed rates (increasing based on the applicable Consumer Price Index), which are typically announced one to three months ahead of the effective date. And there is always the potential for new minimum wage laws to be passed between now and the start of the new year.

Lastly, employers should also note that jurisdictions sometimes have odd schedules for minimum wage updates, or change from a Jan. 1 increase to July 1 (or vice versa). It's always prudent to monitor jurisdictions where you have locations and keep an eye out for new laws to ensure compliance with the latest minimum wage rates.

ALASKA

Alaska is among many jurisdictions with an indexed rate, which is currently in effect. That means employers won't know for a few months what the Jan. 1, 2023, rate will be.

Currently, minimum wage in Alaska is \$10.34. (None of the state's smaller jurisdictions have their own rate.)

\$7.25

The standard federal minimum wage rate, which hasn't increased in more than a decade.

ARIZONA

Arizona's Jan. 1, 2023, rate is indexed and was only recently announced. It will increase to \$13.85.

However, the state has two cities with their own rates. One, Flagstaff, Ariz., will increase to \$16.80. The other, Tucson, Ariz., has also announced its Jan. 1, 2023, rate, which will be \$13.50.

CALIFORNIA

As most employers know, California is a special case when it comes to employment law — and minimum wage is no exception.

Many jurisdictions in California updated rates on July 1, 2022, which you can find in our guide: [County and City Minimum Wage Rate Increases](#).

Most Jan. 1, 2023, rates for California — which was the first state to reach a \$15 standard rate for large employers — are TBD at this time.

For the current minimum wage for California, as well as its cities and counties, check out our blog: [California Minimum Wage Rates](#).

If a jurisdiction's Jan. 1, 2023, rate has been announced, it is listed in parentheses here to the right.



- California (\$15.50)
- Belmont
- Burlingame (\$16.47)
- Cupertino
- Daly City (\$16.07)
- East Palo Alto
- El Cerrito
- Foster City (\$16.50)
- Half Moon Bay
- Hayward (\$16.34)
- Los Altos
- Menlo Park
- Mountain View
- Novato
- Oakland
- Palo Alto
- Petaluma (\$17.06)
- Redwood City
- Richmond
- San Carlos
- San Diego (\$16.30)
- San Jose
- San Mateo
- Santa Clara
- Santa Rosa (\$17.06)
- Sonoma (\$17)
- South San Francisco
- Sunnyvale
- West Hollywood (\$17.50)

MARYLAND

Both Maryland and Howard County have announced their Jan. 1, 2023, rates:

- Maryland – \$13.25
- Howard County – \$15

MASSACHUSETTS

In Massachusetts, the state will reach the \$15 minimum wage mark on Jan. 1, 2023.

MICHIGAN

See our [blog following a recent court decision](#).

MINNESOTA

In addition to the state itself, two jurisdictions in Minnesota are set to update Jan. 1, 2023:

- Minneapolis – \$15.19
- St. Paul – \$15.19

Minnesota's state rate will increase to \$10.59. Employers should also note that both of the Twin Cities updated rates in July 2022. Again, [refer to our guide](#) for those rates.

MISSOURI

The minimum wage rate in Missouri, effective Jan. 1, 2023, is \$12. The state will begin indexing its rate in 2024.

MONTANA

Montana, another state with an indexed rate, has yet to announce its figure for Jan. 1, 2023. The current rate is \$9.20.

NEW JERSEY

Starting Jan. 1, 2023, minimum wage in New Jersey will increase to \$14.13, due to CPI increases. Somewhat surprisingly, there are no local jurisdictions in the state with their own rate.

12

Number of states that currently have indexed rates or will start on Jan. 1, 2023.

Fall 2022 Updates

FLORIDA

Effective Sept. 30, 2022, minimum wage is:

- \$11 – standard
- \$7.98 – tipped

HAWAII

Effective Oct. 1, 2022, minimum wage is:

- \$12 – standard
- \$11 – tipped

NEW MEXICO

While the state of New Mexico has announced its Jan. 1, 2023, minimum wage rate (\$12), three other jurisdictions there remain TBD:

- Albuquerque
- Bernalillo County
- Las Cruces

NEW YORK

New York and its complex system of minimum wage rates have yet to be announced.

However, employers should know that rates will increase Dec. 31, 2022, making it an outlier compared to the others listed here.

OHIO

Ohio has yet to announce its rate for Jan. 1, 2023.

The current rate is \$9.30.

RHODE ISLAND

Rhode Island is another state with scheduled increases to eventually reach \$15.

Starting Jan. 1, 2023, its rate will be \$13.

SOUTH DAKOTA

South Dakota's 2023 minimum wage rate has not been announced.

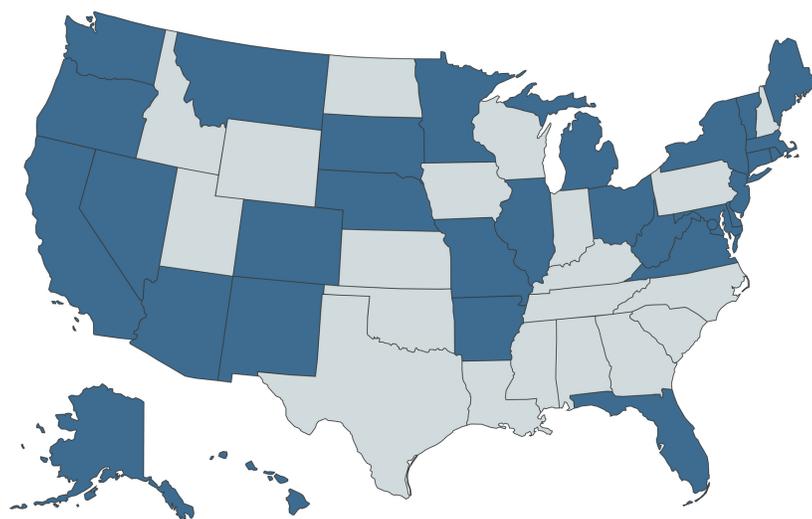
The state's current rate is \$9.95.

Dec. 31

When New York State and its jurisdictions update minimum wage laws each year.

130

U.S. jurisdictions — states, counties and cities — with minimum wage laws above the federal level



VIRGINIA

Virginia's minimum wage rate starting Jan. 1, 2023, will be \$12.

VERMONT

In its first year of indexed rates, Vermont has yet to announce the Jan. 1, 2023, minimum wage.

The current Vermont minimum wage is \$12.55.

WASHINGTON

The state of Washington has not announced its rate for Jan. 1, 2023, nor have the rates for large employers in the two cities with their own minimum wage:

- SeaTac
- Seattle

CONCLUSION

For employers that operate across the U.S. — or even those in regional clusters — managing minimum wage rates has never been more complex.

Plus, the increase in indexed rates has only added to the challenges, especially in places like Illinois, where rates for Chicago and Cook County are only announced about a month before the effective date.

With the multitude of rates, different updating dates and separate rates based on other factors (employer size, gross receipts, tipped wages etc.), employers are turning to technology to bridge those knowledge gaps. The answer?

GovDocs Minimum Wage, our software solution, simplifies the process of managing wage rates across your organization, applying the specific jurisdiction's wage rate to each of your locations:

- Eliminate manual research and tracking with access to the specific rates applied directly to your locations
- Stay on top of new and updated laws to ensure you never miss a rate change
- Understand complex information tailored for non-legal professionals
- Reduce the risk of non-compliance

20

States still following the federal minimum wage rate.

ABOUT GOVDOCS

GovDocs simplifies employment law compliance for large, multi-jurisdiction employers in the U.S. and Canada.

The GovDocs software platform integrates three solutions in one convenient place to help you master the employment laws impacting your business.

Whether you manage a postings, minimum wage or paid leave program, our products cut through research time, provide proactive insights into the everchanging landscape of employment laws and reduce the risk of noncompliance.



BONUS RESOURCES

BLOG POST
**July 1, 2022,
State Minimum
Wage Rates**
*A handful of states, plus
Washington, D.C., updated
their rates July 1, 2022*

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