Legal Update

New York

New York Suspends Minimum Wage Rate Increase for 2027

New York Governor Kathy Hochul recently announced that the statewide minimum wage will not change on Jan. 1, 2027. However, the minimum wage for home care aides will increase to **$20 per hour** in New York City, Long Island and Westchester County and to **$19 per hour** in the rest of New York on **Jan. 1, 2027**. In addition, Governor Hochul proposed a change to the law that would allow the state's minimum wage rates to rise with inflation starting March 1, 2027.

New York's Minimum Wage Rate

Under New York law, the state's minimum wage rates can increase each year based on inflation. The law also includes certain conditions, known as "off-ramps," that can prevent an automatic increase if certain economic or budget conditions arise. One of the off-ramp conditions has been met for 2027, so the state's minimum wage rate will not receive an inflation-based increase on Jan. 1, 2027. Instead, New York's minimum wage rate will remain the same. As a result, the minimum wage rate will be **$17 per hour** in New York City, Long Island and Westchester County and **$16 per hour** in the rest of New York on Jan. 1, 2027.

Tipped Employees

In New York, a tipped employee's hourly wages plus tips must at least equal the minimum wage. If the combination of the employee's hourly wage and tips does not equal the minimum hourly rate, the employer must pay the difference. On Jan. 1, 2027, the minimum cash wage rates for tipped service employees and tipped food service workers, as well as the tip credit associated with those rates, will also remain unchanged. As a result, the minimum cash wage for tipped service employees will be **$14.15 per hour** ($2.85 tip credit) in New York City, Long Island and Westchester County and **$13.30 per hour** ($2.70 tip credit) in the rest of New York. The minimum cash wage for tipped food service workers will be **$11.35 per hour** ($5.65 tip credit) in New York City, Long Island and Westchester County and **$10.70 per hour** ($5.30 tip credit) in the rest of New York on Jan. 1, 2027.

Home Care Aides

On Jan. 1, 2027, the minimum wage for home care aides will increase to $20 per hour in New York City, Long Island and Westchester County and to $19 per hour

Highlights

New York recently announced that the statewide minimum wage will not change on Jan. 1, 2027. However, the minimum wage for home care aides will increase to $20 per hour in New York City, Long Island and Westchester County and to $19 per hour in the rest of New York on Jan. 1, 2027.

Jan. 1, 2027

The new minimum wage for home care aides will take effect.

This Legal Update 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. © 2026 Zywave, Inc. All rights reserved.

in the rest of New York. The home care minimum wage rates are adjusted for inflation but are capped at $3 per hour above the state's standard minimum wage.

Proposed Minimum Wage Increase on March 1, 2027

Governor Hochul has proposed a change to the New York minimum wage law's off-ramp provisions that would allow workers to receive the inflation-based wage increase. If approved by the New York State Legislature, the new rates would take effect on March 1, 2027. Under the proposal, the minimum wage would increase to $17.60 per hour in New York City, Long Island and Westchester County and to $16.55 per hour in the rest of New York. The minimum wage for home care aides would also increase to $20.30 per hour in New York City, Long Island and Westchester County and to $19.30 per hour in the rest of New York.

Next Steps for Employers

New York employers of home care aides should update their payroll processes and procedures to comply with the new minimum wage rate by Jan. 1, 2027. In addition, all New York employers should monitor the potential statewide minimum wage increase on March 1, 2027, and plan accordingly.