

# ARIZONA

## Arizona Announces \$13.85 Minimum Wage Rate for 2023

Arizona has [announced](#) the state's minimum wage rate will increase from \$12.80 to \$13.85 on Jan. 1, 2023. Arizona's minimum wage rate is adjusted annually to reflect changes in the cost of living. According to the Industrial Commission of Arizona (ICA), the \$1.05 increase in minimum wage is based on the increase in inflation between August 2021 and August 2022, as published in the U.S. Bureau of Labor Statistics' consumer price index.

However, employers should be mindful of local laws, ordinances and other rules or regulations that may increase an employee's minimum wage rate. For example, Arizona does not allow employers to pay subminimum wages to young workers, students or apprentices.

### Tipped Employees

Arizona allows employers to pay their tipped employees a minimum wage rate that is \$3 lower than the state's minimum wage rate. As a result, the 2023 tipped employee minimum wage rate is \$10.85.

Employers are required to subsidize a tipped employee's minimum wage rate if the employee's tips and gratuities are insufficient to allow the employee to receive wages that are at least equal to the state's minimum wage rate.

### Required Poster

Arizona employers must display a minimum wage poster to notify their employees of their rights under state law. The ICA has published updated minimum wage model posters in [English](#) and [Spanish](#) that employers can use to satisfy the poster requirement for 2023.

### Next Steps for Employers

Arizona employers should review and adjust their payroll systems to make sure nonexempt employees receive wages that are at least equal to the 2023 state minimum wage rate by Jan. 1, 2023.

### Arizona Minimum Wage

#### Jan. 1 to Dec. 31, 2022

- \$12.80
- \$9.80 (tipped employees)

#### Jan. 1 to Dec. 31, 2023

- \$13.85
- \$10.85 (tipped employees)

*Arizona's minimum wage rate is adjusted annually to reflect changes in the cost of living.*

---

Provided to you by [Employco USA, Inc.](#)