

New Year, New Wages

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After ringing in 2016, employers may want to skip the eggnog and check their wages to make sure they are properly paying their employees. On Jan. 1, the minimum wage rates in 14 states went up and all are higher than the federal minimum wage. These states and rate increases include:

Alaska	\$9.75 per hour
Arkansas	\$8.00 per hour
California	\$10.00 per hour
Connecticut	\$9.60 per hour
Hawaii	\$8.50 per hour
Massachusetts	\$10.00 per hour
Michigan	\$8.50 per hour
Nebraska	\$9.00 per hour
New York	\$9.00 per hour
Rhode Island	\$9.60 per hour
Vermont	\$9.60 per hour
West Virginia	\$8.75 per hour

The minimum wage rates in both Colorado and South Dakota will increase due to a cost of living adjustment tied to inflation. For 2016, Colorado's minimum wage is \$8.31 per hour and South Dakota's minimum wage now is \$8.55 per hour. Other notable minimum wage increases that will occur throughout 2016 include:

District of Columbia	\$11.50 per hour, effective July 1, 2016
Maryland	\$8.75 per hour, effective July 1, 2016
Minnesota	\$9.50 per hour for large employers, effective August 1, 2016 \$7.75 per hour for small employers, effective August 1, 2016

Finally, for employers who have federal service contracts, the minimum wage for employees has increased to \$10.15 per hour. These employers should pay close attention to the hourly rates in effect for the applicable contract as some rates will be higher than the minimum wage rate.

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