

# 2022 Sees Increases to Minimum Wage Rates and Exempt Salary Thresholds Under State (and Local) Law

Labor & Employment Workforce Watch

## WRITTEN BY

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With the calendar turning to 2022, workers in over two dozen states and localities could see a pay increase as a result of legislation raising applicable minimum wage or exempt salary thresholds. Here are the highlights and what employers should be aware of to start the New Year.

### Hourly Minimum Wage Increases

The federal minimum wage has not seen an increase since 2009, when it was set at the current rate of \$7.25 per hour. Though President Biden's effort to raise the minimum wage to \$15.00 died, along with the rest of the Build Back Better bill, over two dozen states and territories are increasing their hourly minimum wage rates this year, as outlined in the list below. Importantly, not every state's wage increase is effective January 1, 2022, so employers must take heed to ensure compliance by the applicable date.

- Arizona – \$12.80
- California – \$15.00 for employers with 26 or more employees; \$14.00 for employers with 25 or fewer employees
- Colorado – \$12.56
- Connecticut – \$14.00 (effective July 1, 2022)
- Delaware – \$10.50
- Florida – \$11.00 (effective September 30, 2022)
- Illinois – \$12.00
- Maine – \$12.75
- Maryland – \$12.50 for employers with 15 or more employees; \$12.20 for employers with 14 or fewer employees
- Massachusetts – \$14.25
- Michigan – \$9.87
- Minnesota – \$10.33 for large employers (annual gross revenues of \$500,000 or more); \$8.42 for small employers (less than \$500,000 in annual gross revenues)
- Missouri – \$11.15
- Montana – \$9.20
- Nevada – \$9.50 (effective July 1, 2022 for employers offering specified health benefits); \$10.50 (effective July 1, 2022 for all other employers)
- New Jersey – \$13.00 for employers; exceptions for employers with fewer than six employees, seasonal workers, agricultural workers, workers in training, and staff and long-term care facilities
- New Mexico – \$11.50

- New York – \$13.20
- Ohio – \$9.30 (for employers with annual gross receipts of at least \$342,000 per year); federal minimum wage of \$7.25 for other employers
- Oregon – \$13.50 (effective July 1, 2022)
- Puerto Rico – \$8.50
- Rhode Island – \$12.25
- South Dakota – \$9.95
- Vermont – \$12.55
- Virginia – \$11.00
- Washington – \$14.49

Additionally, for many of these states, the minimum wage rate listed above is only one of several incremental jumps the state will make towards a \$15.00 per hour minimum wage goal. Each of California (2022), Connecticut (2023), Delaware (2025), Florida (2026), Illinois (2025), Maryland (2025), Massachusetts (2023), New Jersey (2024), New York (2021 for some counties), Rhode Island (2025), Virginia (2026), and Washington D.C. (2020) are on track to reach this goal in the near future.

Thus far, the focus has been on *state* minimum wage rates. Note, cities within many of these states have approved increases to the *local* minimum wage rate above and beyond that required under state law. For example, over two dozen cities within California will increase their minimum wage rate to an amount greater than the state-mandated \$15.00 per hour—e.g. Belmont (\$16.20), Cupertino (\$16.40), Menlo Park (\$15.75), and Mountain View (\$17.10). Various cities within Arizona, Colorado, Illinois, Maryland, Minneapolis, New Mexico, New York, Oregon, and Washington have similarly approved increases in 2022 that exceed the minimum wage rate applicable under their respective states’ wage and hour law.

#### Minimum Salary Thresholds Increase, Too

Though a smaller number, some states have also approved an increase to the minimum salary amounts an employee must be paid to qualify for certain exemptions from the overtime pay requirements under applicable state wage and hour laws:

- California – \$62,400 for employers with 26 or more employees; \$58,240 for employers with 25 or fewer employees
- Colorado – \$45,000 (\$865.38 per week) to qualify as an exempt executive, administrative, or professional employee; \$101,250 for persons that meet the duties for “highly compensated employees”
- Maine – \$38,250 (\$735.59 per week)
- New York – \$58,500 (\$1,125 per week) in New York City, Nassau County, Suffolk County, and Westchester County; \$51,480 (\$990 per week) in the rest of the state
- Washington – \$52,743.60 (\$1,104.30 per week); \$50.72 per hour for computer professionals

With wage laws across the country changing at a rapid pace, now is the time for employers to confirm they are in compliance. Missing these important updates could lead to inadvertent violation of state wage and hour laws.

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