

# STATE OF NEW YORK

3062--C

2021-2022 Regular Sessions

## IN SENATE

January 27, 2021

Introduced by Sens. RAMOS, BIAGGI, BRISPORT, CLEARE, GOUNARDES, JACKSON, KAVANAGH, KRUEGER, REICHLIN-MELNICK -- read twice and ordered printed, and when printed to be committed to the Committee on Labor -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- recommitted to the Committee on Labor in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the labor law, in relation to raising the minimum wage annually by a percentage which is based on inflation; and to repeal subdivision 6 of section 652 of the labor law relating thereto

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Legislative findings. As New Yorkers struggle with the  
2 rapidly rising cost of living, their paychecks are not keeping up. The  
3 state minimum wage has been frozen at \$15 in New York City since 2018.  
4 In the suburbs of New York City it reached \$15 in 2021 and under current  
5 law will not increase further. And upstate, it is projected to reach \$15  
6 in a few years, but will not increase further after that until the  
7 legislature acts.  
8 At the same time, record inflation is eroding the value of the minimum  
9 wage as workers face rapidly rising prices. For example, adjusted for  
10 consumer price inflation from the fourth quarter of 2018 through the  
11 first quarter of 2022, the purchasing power of New York City's \$15 mini-  
12 mum wage has declined by 13.6% and is now just \$12.96. As inflation has  
13 remained high since the second quarter of 2021 and is likely to be  
14 elevated for some time, the value of the minimum wage across New York is  
15 falling even lower as consumers struggle with the rising cost of neces-  
16 sities. And even in times of more stable price growth, workers still  
17 lose real wages as the minimum wage stays stagnant.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets [-] is old law to be omitted.

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1 Meanwhile, other high-cost cities and states are raising their minimum  
2 wages well above \$15. Thirty-three cities and counties have wages above  
3 \$15 an hour as of January 2022, and eleven more will pass \$15 later in  
4 2022. Seattle, San Francisco, and five other cities will have minimum  
5 wages of about \$17 or higher in 2022. Similarly, California and Hawaii  
6 are considering raising their minimum wages to \$18 statewide.

7 New York must restore the value of the eroded \$15 minimum wage in New  
8 York City, while finally phasing the upstate minimum wage to \$15, and  
9 providing for automatic annual minimum wage increases in all regions of  
10 the state.

11 "Catching up" New York City's minimum wage to its 2018 value (and  
12 adjusting it for the growth in labor productivity) would raise it to  
13 \$20.45 by 2025, based on current projections.

14 For adjusting the minimum wage statewide each year, the Department of  
15 Labor should use the same formula that it and the Division of the Budget  
16 used to increase New York's upstate minimum wage in 2021. That formula  
17 was based on a combination of the past year's increase in the cost of  
18 living together with the past year's increase in labor productivity.  
19 This important approach ensures: (1) that workers' wages keep pace with  
20 rising consumer prices - a crucial concern right now as workers struggle  
21 with the highest inflation in four decades - and (2) that workers also  
22 share in the benefits of productivity gains that their labor helps  
23 produce.

24 New York's recent experiences raising the minimum wage show that  
25 increases have been manageable for employers and that higher paychecks  
26 have put money back into local communities, boosting consumer spending  
27 at neighborhood businesses. With inflation crushing New York's working  
28 families, we cannot afford to wait.

29 § 2. Subdivision 1 of section 652 of the labor law, as amended by  
30 section 1 of part K of chapter 54 of the laws of 2016, is amended to  
31 read as follows:

32 1. Statutory. Every employer shall pay to each of its employees for  
33 each hour worked a wage of not less than:

34 \$4.25 on and after April 1, 1991,

35 \$5.15 on and after March 31, 2000,

36 \$6.00 on and after January 1, 2005,

37 \$6.75 on and after January 1, 2006,

38 \$7.15 on and after January 1, 2007,

39 \$8.00 on and after December 31, 2013,

40 \$8.75 on and after December 31, 2014,

41 \$9.00 on and after December 31, 2015, and until December 31, 2016, or,

42 if greater, such other wage as may be established by federal law pursu-  
43 ant to 29 U.S.C. section 206 or its successors

44 or such other wage as may be established in accordance with the  
45 provisions of this article.

46 (a) New York City. (i) Large employers. Every employer of eleven or  
47 more employees shall pay to each of its employees for each hour worked  
48 in the city of New York a wage of not less than:

49 \$11.00 per hour on and after December 31, 2016,

50 \$13.00 per hour on and after December 31, 2017,

51 \$15.00 per hour on and after December 31, 2018,

52 \$17.00 on and after January 1, 2023,

53 \$18.80 on and after January 1, 2024,

54 \$20.45 on and after January 1, 2025, or, if greater, such other wage  
55 as may be established by federal law pursuant to 29 U.S.C. section 206

1 or its successors or such other wage as may be established in accordance  
2 with the provisions of this article.

3 (ii) Small employers. Every employer of ten or less employees shall  
4 pay to each of its employees for each hour worked in the city of New  
5 York a wage of not less than:

6 \$10.50 per hour on and after December 31, 2016,

7 \$12.00 per hour on and after December 31, 2017,

8 \$13.50 per hour on and after December 31, 2018,

9 \$15.00 per hour on and after December 31, 2019,

10 \$17.00 on and after January 1, 2023,

11 \$18.80 on and after January 1, 2024,

12 \$20.45 on and after January 1, 2025, or, if greater, such other wage

13 as may be established by federal law pursuant to 29 U.S.C. section 206  
14 or its successors or such other wage as may be established in accordance  
15 with the provisions of this article.

16 (b) Remainder of downstate. Every employer shall pay to each of its  
17 employees for each hour worked in the counties of Nassau, Suffolk and  
18 Westchester a wage not less than:

19 \$10.00 per hour on and after December 31, 2016,

20 \$11.00 per hour on and after December 31, 2017,

21 \$12.00 per hour on and after December 31, 2018,

22 \$13.00 per hour on and after December 31, 2019,

23 \$14.00 per hour on and after December 31, 2020,

24 \$15.00 per hour on and after December 31, 2021,

25 \$16.00 on and after January 1, 2023,

26 \$17.20 on and after January 1, 2024,

27 \$17.95 on and after January 1, 2025,

28 or, if greater, such other wage as may be established by federal law  
29 pursuant to 29 U.S.C. section 206 or its successors or such other wage  
30 as may be established in accordance with the provisions of this article.

31 (c) Remainder of state. Every employer shall pay to each of its  
32 employees for each hour worked outside of the city of New York and the  
33 counties of Nassau, Suffolk, and Westchester, a wage of not less than:

34 \$9.70 on and after December 31, 2016,

35 \$10.40 on and after December 31, 2017,

36 \$11.10 on and after December 31, 2018,

37 \$11.80 on and after December 31, 2019,

38 \$12.50 on and after December 31, 2020,

39 ~~[ and on each following December thirty-first, a wage published by the  
40 commissioner on or before October first, based on the then current mini-  
41 mum wage increased by a percentage determined by the director of the  
42 budget in consultation with the commissioner, with the result rounded to  
43 the nearest five cents, totaling no more than fifteen dollars, where the  
44 percentage increase shall be based on indices including, but not limited  
45 to, (i) the rate of inflation for the most recent twelve month period  
46 ending June of that year based on the consumer price index for all urban  
47 consumers on a national and seasonally unadjusted basis (CPI-U), or a  
48 successor index as calculated by the United States department of labor,  
49 (ii) the rate of state personal income growth for the prior calendar  
50 year, or a successor index, published by the bureau of economic analysis  
51 of the United States department of commerce, or (iii) wage growth, ]~~

52 \$13.20 on and after December 31, 2021,

53 \$14.20 on and after January 1, 2023,

54 \$15.10 on and after January 1, 2024,

55 \$15.75 on and after January 1, 2025, or, if greater, such other wage

56 as may be established by federal law pursuant to 29 U.S.C. section 206

1 or its successors or such other wage as may be established in accordance  
2 with the provisions of this article.

3 (d) Annual increases. On January first, two thousand twenty-six, and  
4 on each following January first, the wages set forth in paragraphs (a),  
5 (b) and (c) of this subdivision and any other wages established in  
6 accordance with the provisions of this chapter and set forth in any  
7 minimum wage order, shall be the wages published by the commissioner  
8 pursuant to this paragraph. The commissioner shall publish such wages on  
9 or before November first, two thousand twenty-five, and on each follow-  
10 ing November first. The commissioner shall base each such published  
11 wage on each then current wage increased by the sum of: (i) the rate of  
12 inflation, if greater than zero, as measured by the change from the  
13 third quarter of the prior year through the third quarter of the current  
14 year in the consumer price index for all urban wage earners and clerical  
15 workers on a national and seasonally unadjusted basis (CPI-W), or a  
16 successor index, as calculated by the United States department of labor;  
17 and (ii) labor productivity growth, if greater than zero, as measured by  
18 the change in the average quarterly index for the four quarters through  
19 the second quarter of the current year divided by the average quarterly  
20 index for the four quarters through the second quarter of the preceding  
21 year in national labor productivity (output per hour) of all employed  
22 persons in the nonfarm business sector, or a successor index, as calcu-  
23 lated by the United States department of labor, with the sum rounded to  
24 the nearest multiple of five cents. For purposes of subdivision two of  
25 this section, each published wage that increases each then current mini-  
26 imum wage shall be deemed to be an increase in hourly minimum wage as  
27 provided in this subdivision.

28 (e) The rates and schedules established in paragraphs (a) and (b) of  
29 this subdivision shall not be deemed to be the minimum wage under this  
30 subdivision for purposes of the calculations specified in subdivisions  
31 one and two of section five hundred twenty-seven of this chapter.

32 § 3. Subdivision 6 of section 652 of the labor law is REPEALED.

33 § 4. This act shall take effect immediately.