Minimum Wage Groundswell? Seattle, Others Raise Their Statutory Minimum Wage Rates

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It’s official. The Seattle City Council has voted to raise Seattle’s minimum wage to $15 per hour by 2021. Is this the sign of groundswell?

Seattle isn’t alone. Other cities have entered the fray too. Just this year the city of Richmond, California voted to increase its minimum wage rate to $12.10 by 2017—this follows on the heels of increases in other bay area cities like San Francisco. Further, the vote came after two other states, Hawaii and Michigan, recently boosted their minimum wage rates – Hawaii gradually from $7.25 to $10.10 and Michigan gradually from $7.40 to $9.25 by January 2018. Hawaii and Michigan follow Vermont, Minnesota, Delaware, West Virginia and Maryland, each which approved minimum wage increases this year. In fact, states representing over half the population of the United States now offer minimum wages above the current federal $7.25 minimum, and approximately 30 states, like California, whose senate passed a wage increase bill last week, are aiming to do the same.

The trend appears clear: based on these recent initiatives across the United States, cities and states looking to improve workers’ baseline wages are not waiting on Congress to act, which it has failed to do since 2007 (a bill—“The Minimum Wage Fairness Act”—designed to raise the federal minimum wage, remains stalled in Congress). This movement has shown no sign of stopping and may even have its own theme song.

Companies employing low wage workers affected by these laws (or about to be affected by these laws), should consider adjusting their payroll systems appropriately to ensure proper payment of straight time and overtime payments, and reviewing their wage deduction policies to ensure that those deductions are not only lawful, but don’t result in paychecks falling below the applicable minimum wage rate. We will continue to follow the minimum wage movement closely.

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