

New York Labor Commissioner orders \$15 minimum wage for fast food workers; governor pushes for state- and industry-wide implementation

On September 10, 2015, New York State Labor Commissioner Mario Musolino signed an [order](#) approving the [recommendations](#) of the Governor-appointed Fast Food Wage Board to increase the state and New York city minimum wage for fast food workers.

The current state minimum wage is \$8.75, and is scheduled to [increase](#) to \$9 on December 31, 2015.

Under the order, the minimum wage for fast food workers increases during a phase-in period, with a quicker turn around for New York City as compared to the rest of the state. The board recommended that the new \$15 minimum wage rate be phased in to take effect by December 31, 2018, for New York City, and by July 1, 2021, for the rest of the state, on the following schedules:

- For New York City: to \$10.50 on December 31, 2015, \$12.00 on December 31, 2016, \$13.50 on December 31, 2017, and \$15.00 on December 31, 2018.
- For the rest of the state of New York, to \$9.75 on December 31, 2015, \$10.75 on December 31, 2016, \$11.75 on December 31, 2017, \$12.75 on December 31, 2018, \$13.75 on December 31, 2019, \$14.50 on December 31, 2020, and \$15.00 on July 1, 2021.

The following definitions apply:

- "Fast Food Employee" means any person employed or permitted to work at or for a Fast Food Establishment by any employer where such person's job duties include at least one of the following: customer service, cooking, food or drink preparation, delivery, security, stocking supplies or equipment, cleaning, or routine maintenance.
- "Fast Food Establishment" means any establishment in the state of New York serving food or drink items: (a) where patrons order or select items and pay before eating and such items may be consumed on the premises, taken out, or delivered to the customer's location; (b) which offers limited service; (c) which is part of a chain; and (d) which is one of thirty (30) or more establishments nationally, including: (i) an integrated enterprise which owns or operates thirty (30) or more such establishments in the aggregate nationally; or (ii) an establishment operated pursuant to a Franchise where the Franchisor and the Franchisee(s) of such Franchisor owns or operate thirty (30) or more such establishments in the aggregate nationally.

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New York governor announces push for state- and industry- wide minimum wage increase to \$15

On the same day that Labor Commissioner Musolino signed the order approving the recommendations for a \$15.00 per hour minimum wage for fast food workers, New York Governor Andrew Cuomo, joined by Vice President Joseph Biden, [announced](#) a push for New York State to adopt a \$15.00 per hour minimum wage for all workers in the state.

According to the governor's news release, the proposed all-industry minimum wage increase would be phased in to mirror the fast food wage order, taking full effect by December 31, 2018 in New York City and July 1, 2021 for the rest of New York State.

Ernst & Young LLP insights

According to the Department's director of communications, the order signed by the labor commissioner will have the effect of raising the minimum wage for fast food workers without passing legislation, circumventing the state legislature. *(Email response to inquiry)*

The New York State Senate Labor Committee held a [hearing](#) on September 10, 2015, questioning the process behind the fast food minimum wage increase.

In February 2015, the labor commissioner signed an [order](#) increasing the minimum wage for tipped employees to \$7.50 per hour effective December 31, 2015. This increase was based on recommendations made by the 2014 Hospitality Wage Board.

The New York City council earlier this year approved a [resolution](#) asking the New York State Legislature to pass, and the governor to sign, legislation granting New York City the authority to set its own minimum wage. *(Res 0610-2015, approved by the council on April 28, 2015.)*

For more on the Fast Food Wage Board, go to <http://labor.ny.gov/workerprotection/laborstandards/wageboard2015.shtm>.

For the board's final report, including a list of potentially affected New York businesses, go to <http://labor.ny.gov/workerprotection/laborstandards/pdfs/Fast-Food-Wage-Board-Report.pdf>.

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