

Employment Practices Liability

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Connecticut Minimum Wage Expected To Increase Annually and To \$15 Per Hour by June 2023

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On May 17, 2019, the Connecticut Senate voted in favor of House Bill No. 5004, as amended by House Amendment Schedule A, An Act Increasing the Minimum Fair Wage ("the Act"). The Act was favorably voted out of the Connecticut House of Representatives on May 9, 2019. It is anticipated that Governor Lamont will sign the Act into law, effecting an increase in the State's minimum wage.

Connecticut's minimum wage is currently \$10.10 per hour, and should the Act be signed by the Governor, the rate will increase on a near annual basis as follows:

- \$11.00 per hour effective October 1, 2019
- \$12.00 per hour effective September 1, 2020
- \$13.00 per hour effective August 1, 2021
- \$14.00 per hour on July 1, 2022
- \$15.00 per hour on June 1, 2023

Beginning October 15, 2023, and annually thereafter, the Labor Commission will announce further adjustments to the minimum wage, which will be effective January 1 of the following year. Beginning January 1, 2024, and annually thereafter, the minimum wage adjustment will be based upon the percentage change in the employment cost index for wages and salaries for all civilian workers, as calculated by the U.S. Department of Labor. The Act calls for the Labor Commissioner to provide his or her recommendation in writing to the Governor regarding suspension of future increases to the minimum wage should two consecutive quarters of negative growth in the State's real gross domestic product occur, and based upon that, the Governor will make a recommendation to the General Assembly regarding suspension of minimum wage increases.

The Act further provides for two notable changes. First, the Act freezes the tip credit, applicable to hotel and restaurant employees who customarily receive tips, at \$6.38 for hotel and restaurant employees and \$8.23 for bartenders, provided these employees' tips make up the difference between the tipped minimum wage and the regular minimum wage. Second, the Act amends the training wage so that it is no longer available to "learners and beginners" and instead is limited to individuals under age 18, except emancipated minors. The Act further limits the training wage to the first 90 days of employment and is set at 85% of the minimum wage or \$10.10, whichever is greater.

Conclusion: Given that Governor Lamont is expected to sign the Act into law, employers should begin to review their wage and hour practices to ensure their employees will receive wages consistent with the law beginning October 1, 2019 and be prepared to increase wages as set forth in the above time table.

Cindy Cieslak is a partner at Rose Kallor, LLP. Rose Kallor, LLP regularly represents and advises private and public sector employers on matters pertaining to the employer-employee relationship, including discrimination, harassment, and wage and hour issues. If you have questions about this legal update, please contact Rose Kallor, LLP at 860-361-7999. If you wish to receive future updates on labor and employment related topics, please contact Jacqueline Smith, CIRMA Communications Associate at jsmith@ccm-ct.org.

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