

JUNE 2016

DISTRICT OF COLUMBIA SET TO INCREASE MINIMUM WAGE TO \$15 FOLLOWING SEVERAL OTHER STATES AND LOCALITIES

By Alexander W. Leonard

The District of Columbia City Council has unanimously [passed](#) a schedule of increases to the local minimum wage. Under the bill, private sector minimum wages in the District will reach \$15.00 per hour by 2020. This new increase comes just as a previously scheduled minimum wage increase to \$11.50 per hour was to take effect on July 1, 2016. As a result of the increase, the District is now in line with several other state and local jurisdictions that have recently made plans in coming years to increase their minimum wage rates to (or near) \$15.00 per hour. While Mayor Muriel Bowser still must sign the measure, Mayor Bowser is expected to sign it quickly.

Under the new enactment, private sector employees in the District (except those receiving tips), will receive the following periodic minimum wage increases:

Effective Date	Minimum Wage
<i>Current</i>	<i>\$10.50</i>
July 1, 2016	\$11.50
July 1, 2017	\$12.50
July 1, 2018	\$13.25
July 1, 2019	\$14.00
July 1, 2020	\$15.00

However, a compromise was reached with respect to employees who earn additional compensation through customer tips (e.g., servers, bartenders, masseuses, coat checkers, etc.). The minimum cash wages (excluding

gratuities) that must be provided to tipped employees will only rise to \$5.00 per hour (from \$2.77 per hour) by 2020, provided those employees receive enough tips to make up the difference between the tipped and regular minimum wages.

Under the new law, the tipped minimum wage rate will increase as follows:

Effective Date	Tipped Minimum Wage
<i>Current</i>	<i>\$2.77</i>
July 1, 2017	\$3.33
July 1, 2018	\$3.89
July 1, 2019	\$4.45
July 1, 2020	\$5.00

On July 1, 2021, and every year thereafter, each minimum wage rate will continue to increase proportionally to the Consumer Price Index. Employers must remain vigilant in complying with District of Columbia wage and hour (and other employment) laws in order to avoid significant penalties and fines on top of the ever increasing labor costs they are required to endure.

For more information about this alert, please contact [Alexander Leonard](#) at 212.878.7932 or aleonard@foxrothschild.com or any member of the firm's [Labor & Employment Department](#).

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