

Virginia's 2023 Wage Hike – New Year, New Minimum!

February 15, 2023
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Virginia is one of nine jurisdictions en route to a \$15 minimum wage (or higher) by 2026. As it is, Virginia is one of nearly 30 states to affect an increase this year. The first of the year saw the Commonwealth's previous minimum of \$11 per hour -- which had only gone into effect at the beginning of 2022! -- bump up by another \$1 to \$12 per hour. By comparison here in the "DMV," Virginia continues to lag its neighboring jurisdictions, Maryland and D.C., with the first of the year, Maryland's minimum jumped from \$12.50 to \$13.25 per hour (for companies of certain minimum size – i.e., 15 or more employees), while D.C.'s \$16.10 hourly rate comes in higher than all fifty states, many of which still abide by the federal minimum of \$7.25, which has remained unchanged since 2009.

Virginia's increase is the latest in a series of step-ups scheduled to take effect in the Commonwealth between now and 2026. The minimum wage rate in Virginia recently climbed \$1.50 per hour in 2021 and, after this year's additional \$1 per hour, is slated to increase again to \$13.50 per hour in 2025 before reaching the targeted \$15 per hour in 2026. That is, of course, so long as the most recent changes to Virginia's Minimum Wage Act are not repealed or otherwise limited by the now Republican-controlled General Assembly. Keep a watchful eye out for attempted changes this legislative session to Code Section 40.1-28.10 as attempts are anticipated to try to walk back the increases or at least to "slow the roll."

Tipped employees, such as restaurant wait staff, continue to face a meager \$2.13 per hour minimum but, with tips factored in, must meet the \$12 per hour minimum rate. If you are a small business owner with questions about the new laws and your obligations regarding them, Offit Kurman has the resources to help. Not sure whether your workers are independent contractors or employees subject to the minimum wage requirements? Choosing to do nothing is still making a choice – and the wrong one could prove very costly in this context. If you're uncertain whether and/or how this or any other new law (recreational cannabis, for instance?) might impact you or your business, let me get you connected with someone who can help.