

Roundup of Minimum Wage Increases for 2018

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In 2018, the federal minimum wage will remain at \$7.25 per hour for non-tipped employees and \$2.13 per hour for tipped employees. The following table summarizes the statewide minimum wage increases that have been announced for 2018, along with the related changes to the maximum tip credit permitted and minimum cash wage allowed for tipped employees:

	Minimum Wage	Maximum Tip Credit	Minimum Cash Wage
Alaska	\$9.80 (current) \$9.84 (effective January 1, 2018)	Tip credit not allowed	Tip credit not allowed
Arizona	\$10.00 (current) \$10.50 (effective January 1, 2018) Not applicable to small businesses that have less than \$500,000 in annual gross revenues and that are exempt from paying minimum wage under federal law	\$3.00	\$7.00 (current) \$7.50 (effective January 1, 2018)
<u>California</u>	Small Employers (those with 25 or fewer employees): \$10.00 (current) \$10.50 (effective January 1, 2018) Large Employers (those with 26 or more employees): \$10.50 (current) \$11.00 (effective January 1, 2018)	Tip credit not allowed	Tip credit not allowed

	Minimum Wage	Maximum Tip Credit	Minimum Cash Wage
Colorado	\$9.30 (current) \$10.20 (effective January 1, 2018)	\$3.02	\$6.28 (current) \$7.18 (effective January 1, 2018)
District of Columbia	\$12.50 (current) \$13.25 (effective July 1, 2018)	\$9.17 (current) \$9.36 (effective July 1, 2018)	\$3.33 (current) \$3.89 (effective July 1, 2018)
Florida	\$8.10 (current) \$8.25 (effective January 1, 2018)	\$3.02	\$5.08 (current) \$5.23 (effective January 1, 2018)
Hawaii	\$9.25 (current) \$10.10 (effective January 1, 2018)	\$0.75, provided wages plus tips are at least \$7.00 more than the applicable minimum wage	\$8.50 (current) \$9.35 (effective January 1, 2018)
Maine	\$9.00 (current) \$10.00 (effective January 1, 2018)	\$4.00 (current) \$5.00 (effective January 1, 2018)	\$5.00
Maryland	\$9.25 (current) \$10.10 (effective July 1, 2018)	\$5.62 (current) \$6.47 (effective July 1, 2018)	\$3.63
Michigan	\$8.90 (current) \$9.25 (effective January 1, 2018)	\$5.52 (current) \$5.73 (effective January 1, 2018)	\$3.38 (current) \$3.52 (effective January 1, 2018)
Minnesota	Large Employers (annual gross revenue of \$500,000 or more): \$9.50 (current) \$9.65 (effective January 1, 2018) Small Employers (annual gross revenue of less than \$500,00): \$7.75 (current) \$7.87 (effective January 1, 2018)	Tip credit not allowed	Tip credit not allowed
Missouri	\$7.70 (current) \$7.85 (effective January 1, 2018)	\$3.85 (current) \$3.92 (effective January 1, 2018)	\$3.85 (current) \$3.93 (effective January 1, 2018)
Montana	\$8.15 (current) \$8.30 (effective January 1, 2018)	Tip credit not allowed	Tip credit not allowed
New Jersey	\$8.44 (current) \$8.60 (effective January 1, 2018)	\$6.31 (current) \$6.47 (effective January 1, 2018)	\$2.13
New York	\$10.40 (effective December 31, 2017) \$11.10 (effective December 31, 2018)	\$1.75 for all service employees (effective December 31, 2017) Tip credit varies based on	\$8.65 for all service workers (effective December 31, 2017) Currently varies based

	Minimum Wage	Maximum Tip Credit	Minimum Cash Wage
	Fast Food Workers (not governed by local ordinances): \$11.75 (effective December 31, 2017) \$12.75 (effective December 31, 2018)	position within the hospitality industry	on position within the hospitality industry
Ohio	\$8.15 (current) \$8.30 (effective January 1, 2018)	\$4.07 (current) \$4.15 (effective January 1, 2018)	\$4.08 (current) \$4.15 (effective January 1, 2018)
Oregon	\$10.25 (current) \$10.75 (effective July 1, 2018) For employers located within the urban growth boundary of a metropolitan service district, the minimum wage rates are as follows: \$11.25 (current) \$12.00 (effective July 1, 2018) For employers in nonurban counties, as defined by the law, the minimum wage rates are as follows: \$10.00 (current) \$10.50 (effective July 1, 2018)	Tip credit not allowed	Tip credit not allowed
Rhode Island	\$9.60 (current) \$10.10 (effective January 1, 2018)	\$5.71 (current) \$6.21 (effective January 1, 2018)	\$3.89
South Dakota	\$8.65 (current) \$8.85 (effective January 1, 2018)	\$4.32 (current) \$4.42 (effective January 1, 2018)	\$4.33 (current) \$4.43 (effective January 1, 2018)
Vermont	\$10.00 (current) \$10.50 (effective January 1, 2018)	\$5.00 (current) \$5.25 (effective January 1, 2018) Applies only to employees of a hotel, motel, tourist place, or restaurant who earn at least \$120 per month in tips for direct and personal customer	\$5.00 (current) \$5.25 (effective January 1, 2018) Applies only to employees of a hotel, motel, tourist place, or restaurant who earn at least \$120 per month in tips for direct and personal customer

	Minimum Wage	Maximum Tip Credit	Minimum Cash Wage
		service	service
Washington	\$11.00 (current) \$11.50 (effective January 1, 2018)	Tip credit not allowed	Tip credit not allowed

Employers may also be affected by local minimum wage ordinances with heightened requirements and exceptions to statewide minimum wage obligations. Further, employers covered by the Fair Labor Standards Act in states with maximum tip credits that exceed the federal tip credit of \$5.12 per hour may want to carefully consider their obligations under federal law. Note also that the DOL recently published new [proposed regulations](#) concerning tips so there could be changes to the federal regulations in 2018.

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