

Reminder – Virginia's New Minimum Wage Goes Into Effect May 1

By Jessica Summers

During its 2020 Session, the Virginia General Assembly passed a new law to establish a state minimum wage. Previously, the Commonwealth simply required employers to pay the federal minimum wage (currently \$7.25).

The first of these increases will go into effect on May 1, 2021 at which time the minimum wage in Virginia will increase to \$9.50. Originally, the change was set to go into effect on January 1, 2021, but the Governor decided to delay the effective date to provide employers more time to prepare in light of the COVID-19 pandemic.

After May 1, the Virginia minimum wage will further increase in accordance with the following schedule:

- January 1, 2022 - \$11 per hour
- January 1, 2023 - \$12 per hour
- January 1, 2025 - \$13.50 per hour
- January 1, 2026 - \$15 per hour
- January 1, 2027 and each year thereafter the state minimum wage will be adjusted based on the consumer price index

Of course, as to each of these minimum wage brackets, the Virginia law specifies that if the federal minimum wage in effect at the time is greater than the established state minimum wage, the federal minimum wage rate will apply.

Additionally, the increases to \$13.50 (in January 2025) and \$15 (in January 2026) are dependent on the General Assembly reenacting the legislation by July 1, 2024.

There may also be further changes as the new law directed three state agencies to review the feasibility of creating regional minimum wages (to account for the different situations across the Commonwealth) and submit their findings to the General Assembly and the Governor by December 1, 2023 for consideration.

For the time being, Virginia employers should make sure they are prepared for the upcoming May 1 change and that they are looking ahead to the next change on January 1, 2022.