



FY 2022 Recommended Budget Budget Question

Board Question #: 9

BUDGET QUESTION: Provide information on the State's mandated minimum wage increases.

RESPONDING DEPARTMENT/OFFICE: Budget Office

RESPONSE: Currently, employers must pay each employee a rate no less than the federal minimum wage of \$7.25 per hour. With the first increase going into effect on May 1, 2021, State law requires that the Virginia minimum wage be phased to \$15.00 per hour by January 1, 2026. Virginia employers must pay each employee the greater of the Virginia minimum wage or the federal minimum wage.

The chart below outlines the required minimum wage rates and the effective date of each rate for the next 5 years. In addition, the fiscal year has been added to the chart for County planning purposes.

Fiscal Year	Effective Date	Minimum Wage
2021	Current	\$7.25
2021	May 1, 2021	\$9.50
2022	January 1, 2022	\$11.00
2023	January 1, 2023	\$12.00
2025	January 1, 2025	\$13.50
2026	January 1, 2026	\$15.00

Each year following 2026, employers will be required to adjust the minimum wage rate paid to employees based on the adjusted Virginia minimum wage rate or the federal minimum wage rate, whichever is greater.

ESTIMATE OF STAFF TIME SPENT ON RESPONSE: