



COMMONWEALTH of VIRGINIA
DEPARTMENT OF LABOR AND INDUSTRY

Gary G. Pan
COMMISSIONER

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MEMORANDUM

Date: August 7, 2024

To: Virginia Employer Groups

From: Gary G. Pan
Commissioner, Virginia Department of Labor and Industry

Subject: Statutory Virginia Minimum Wage Increase Effective January 1, 2025

As the Commissioner of the Department of Labor and Industry, I am writing to provide you with advanced notice of an official announcement that will be issued in the near future regarding Virginia's minimum wage. The Commissioner of the Department of Labor and Industry has the duty and obligation to establish a new adjusted Virginia minimum wage as instructed by the General Assembly.

On April 11, 2020 the General Assembly voted to amend the Virginia Minimum Wage Act (§ 40.1-28.10)¹. Section 40.1-28.10(3) stated:

“That the provisions of subsections E and F of Section 40.1-28.10 of the Code of Virginia, as amended by this act, shall not become effective unless reenacted by a regular or special session of the General Assembly prior to July 1, 2024. If the General Assembly does not reenact subsections E and F by July 1, 2024, then (i) the Commissioner of Labor and Industry will establish the adjusted state hourly minimum wage as provided in subsection H by October 1, 2024, and annually thereafter; and (ii) from and after January 1, 2025, each employer shall pay to each of his employees' wages as specified in subsection G.”

As Commissioner, I have the duty to adjust the minimum wage as provided in § 40.1-28.10(F) of the Code of Virginia which states:

“The Commissioner shall establish the adjusted state hourly minimum wage that shall be in effect during the 12-month period commencing on the following January 1. The

¹ Division of Legislative Automated Systems, Virginia's Legislative Information System, *Code of Virginia 2020*, Section 40.1-28.10(3), lis.virginia.gov/cgi-bin/legp604.exe?201%2Bful%2BCHAP1242%2Bpdf.

Commissioner shall set the adjusted state hourly minimum wage that is in effect on the date such adjustment is made and a percentage of the amount described in clause (i) that is equal to the percentage by which the United State Average Consumer Price Index for all items, all urban consumers (CPI-U), as published by the Bureau of Labor Statistics of the U.S. Department of Labor...”

The amount of the state hourly minimum wage rate that is in effect on the date of this adjustment is \$12.00, per Code of Virginia § 40.1-28.10(D). The U.S. Department of Labor Bureau of Labor Statistics, the average Consumer Price Index for all items, all urban consumers (CPI-U) is 3.4%. Therefore, the new adjusted minimum wage shall be \$12 plus 3.4% of \$12 which equals \$12.41. This will be applicable to employers for all employees effective January 1, 2025. The Code also states that this will be the procedure for annual minimum hourly rate adjustments going forward each year.

The Code of Virginia requires this adjustment determination be complete by October 1, 2024. I am aware that many businesses establish their budgets during the summer prior to the new year so we are providing advanced notice of this change to minimize negative impacts.

I hope this notice assist you in your fiscal planning. Please feel free to circulate this notice with those you believe would find it useful. The public announcement will be posted on the Agency website with a public press release in the near future.

Sincerely,



Gary G. Pan
Commissioner
Virginia Department of Labor and Industry