

July 1, 2018 Minimum Wage Increase

The Law

On July 1, 2018 the following cities will increase their minimum wage:

<u>City</u>	<u>1-25 employees</u>	<u>26+ employees</u>	<u>Website</u>
Belmont	\$12.50	\$12.50	https://www.belmont.gov/city-hall/administrative-services/city-manager/minimum-wage
Los Angeles City	\$12.00	\$13.25	http://wagesla.lacity.org/
Los Angeles County (Unincorporated)	\$12.00	\$13.25	http://www.cahcc.com/Portals/0/assets/images/2017_ES/MWO%20Presentation%20CDC%20Info%203%202%202017.pdf?ver=2017-03-06-125627-093
Malibu	\$12.00	\$13.25	https://www.malibucity.org/793/Minimum-Wage
Milpitas	\$13.50	\$13.50	http://www.ci.milpitas.ca.gov/milpitas/departments/economic-development/minimum-wage/
Pasadena	\$12.00	\$13.25	https://ww5.cityofpasadena.net/city-manager/2016/07/01/minimum-wage-ordinance-begins-july-1-2016/
San Francisco	\$15.00	\$15.00	https://sfgov.org/olse/minimum-wage-ordinance-mwo
San Leandro	\$13.00	\$13.00	https://www.sanleandro.org/depts/cityhall/mwo.asp
<u>City</u>	<u>1-55 employees</u>	<u>56+ employees</u>	<u>Website</u>
Emeryville	\$15.00	\$15.69	https://www.ci.emeryville.ca.us/1024/Minimum-Wage-Ordinance

* Berkley will increase their minimum wage effective October 1, 2019.

**Municipality laws are constantly being passed or amended. If the city of your work site is not listed above, you may want to check with your local government to ensure compliance with local minimum wage ordinances.

*** Check with your local government for more information on exemptions to minimum wage ordinances.

**** This does not impact those employers who fall under the Citywide Hotel Worker Minimum Wage Ordinance for Los Angeles or Santa Monica.

What To Do

All employers will be expected to ensure all employees are earning at least minimum wage per hour or higher. If an employee is being paid less than the new minimum wage you need to do the following:

- Notify the employee of the change in minimum wage

- Increase the hourly rate paid to the employee to at least the minimum wage
- Update your wage poster

Additional Considerations

If you need to increase a position's hourly rate, you may want to consider reviewing and increasing the hourly rate for other positions to preserve that the hourly rate corresponds to the position and responsibilities. For example, Employee A earns \$13.25 an hour while Employee B earns \$12.00 however for a lower graded position. If you increase Employee B's hourly rate to \$13.25 (26+ employees in Los Angeles) you may want to increase Employee A's hourly rate as Employee A is a higher graded position.

In addition you will also need to review your non-exempt positions. If you are increasing salaries throughout the organization, this may impact positions being classified as non-exempt. A classification analysis is recommended. As of January 1, 2018 the minimum salary requirements for exempt employee is \$43,680 a year or \$3,640 a month for employers with 1-25 employees and \$45,760 a year or \$3,813.33 a month for employers with 26 + employees.

For more information on the increase in minimum wage, or for assistance with compensation reviews or classification analysis please contact your RSJ Swenson consultant.