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STATE LEGISLATIVE & HR CONFERENCE

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Navigating the MANY Minimum Wages & Benefits in California

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What Is California's Current Minimum Wage?

- As of January 1, 2019, California's mandated minimum wage for any employee is as follows:
 - \$11.00 per hour (25 employees or less); \$12.00 per hour (26 employees or more)
 - Minimum salary requirements for exempt employees is \$45,760 (25 employees or less) and \$49,920 (26 employees or more)
- By January 1, 2023, the minimum wage for all California employees is expected to be \$15.00 per hour

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Where Is The Minimum Wage Higher?

- 25 cities and counties in California have Living Wage Ordinances (“LWO”) that call for the minimum hourly wage to be higher than the State of California’s \$11.00 per hour or \$12.00 per hour requirement
- Minimum Wage Requirements under LWO’s Varies By Location
- Some LWO’s provide that the local minimum wage is based on the number of employees who perform work for employers within that city and/or county

2019 Local Minimum Wage Rates

California City or County	Effective Date of Increase	2019 Rate
Belmont	January 1, 2019	\$13.50
Cupertino	January 1, 2019	\$15.00
El Cerrito	January 1, 2019	\$15.00
Los Altos	January 1, 2019	\$15.00
Mountain View	January 1, 2019	\$15.65
Oakland	January 1, 2019	\$13.80
Palo Alto	January 1, 2019	\$15.00
Redwood City	January 1, 2019	\$13.50
Richmond	January 1, 2019	\$15.00
San Diego	January 1, 2019	\$12.00
San Jose	January 1, 2019	\$15.00
San Mateo	January 1, 2019	\$15.00 \$13.50 (for non-profit employers)
Santa Clara	January 1, 2019	\$15.00
Sunnyvale	January 1, 2019	\$15.65

2019 Local Minimum Wage Rates

California City or County	Current Rate	Effective Date of Increase	Anticipated New Rate
Berkeley	\$15.00	July 1, 2019	TBA
Emeryville	\$15.69 (56 or more employees) \$15.00 (55 or less employees)	July 1, 2019	TBA
Long Beach	\$14.64 (hotels) \$14.37 (airport/convention center)	July 1, 2019	TBA
Los Angeles (City)	\$13.25 (26 or more employees) \$12.00 (25 or less employees)	July 1, 2019	\$14.25 (26 or more employees) \$13.25 (25 or less employees)
Los Angeles County (unincorporated)	\$13.25 (26 or more employees) \$12.00 (25 or less employees)	July 1, 2019	\$14.25 (26 or more employees) \$13.25 (25 or less employees)
Malibu	\$13.25 (26 or more employees) \$12.00 (25 or less employees)	July 1, 2019	\$14.25 (26 or more employees) \$13.25 (25 or less employees)
Milpitas	\$13.50	July 1, 2019	\$15.00
Pasadena	\$13.50 (26 or more employees)	July 1, 2019	\$14.25 (pending council approval)
San Francisco	\$15.00	July 1, 2019	TBA
San Leandro	\$13.00	July 1, 2019	\$14.00
Santa Monica	\$13.25 (26 or more employees) \$12.00 (25 or fewer employees)	July 1, 2019	\$14.25 (26 or more employees) \$13.25 (25 or less employees)

Potential Pitfalls That Could Lead To Minimum Wage Violations

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- Be aware of any potential changes to the required minimum wage rate based on the number of employees in the work force at any given time
 - Mergers or acquisitions of the Company
 - Seasonal or temporary employees
- Make sure any overtime is calculated at the correct rate
- If applying the inside sales exemption, make sure the employee is making at least 1.5 times the applicable minimum wage

Paid Sick Leave For CA Employees

Where Are The Paid Sick Leave Laws in California?

- California
- San Francisco
- Los Angeles
- San Diego
- Oakland
- Berkeley
- Emeryville
- Santa Monica

Paid Sick Leave

Who is Covered? (California)

- Most employees who work 30 or more days within a year in California
 - Includes part-time and temporary employees
- Limited exclusions for:
 - Employees under collective bargaining agreements meeting specific requirements
 - Airline flight deck and cabin crew members subject to federal labor law
 - Certain employees of municipalities or other public entities

Paid Sick Leave

Who is Covered? (Los Angeles)

- Works in the City of Los Angeles for the same employer for 30 days
- Performs at least two hours of work in a particular week within the City
- Qualifies as an employee entitled to minimum wage
- Limited exclusions for employees under collective bargaining agreements meeting specific requirements

Paid Sick Leave

Who is Covered?

- **San Francisco**

- Works within the geographic boundaries of the City of San Francisco, including part-time and temporary employees. Occasional employees who works 56 hours or more in the city.

- **Oakland**

- Performs at least two hours of work in a workweek in the City of Oakland

- **Emeryville, San Diego and Santa Monica**

- Performs at least two hours of work during calendar week within the geographic boundaries of the City, including part-time and temporary employees
- Qualifies as an employee entitled to minimum wage

How Much Paid Sick Leave?

Jurisdiction	Annual Sick Leave Requirement
California	24 hours/3 days 48 hours/6 days for total accrual cap
San Francisco	40 hours (small employers) 72 hours (all others)
Los Angeles	48 hours for use 72 hours for total accrual cap
San Diego	40 hours for use 80 hours for total accrual cap
Oakland	40 hours (small employers) 72 hours (all others)
Emeryville	48 hours (small employers) 72 hours (all others)
Berkeley	48 hours (small employers) 72 hours (all others)
Santa Monica	40 hours (small employers) 72 hours (all others)

How Much Paid Sick Leave?

Accrual Method

1 hour of paid sick leave earned for every 30 hours worked:

- San Francisco
- Los Angeles
- San Diego
- Oakland
- Emeryville
- Berkeley
- Santa Monica

How Much Paid Sick Leave?

Other Similarities and Differences

- Paid sick leave begins to accrue on the first day of employment except for San Francisco (90 days after start of employment)
- CA State Law - 24 hours (or 3 days) of paid sick leave accrued by the 120th day of employment
- Paid sick leave can be used on the 90th day of employment except for San Diego (91st day)
- If paid sick leave is accrued, it can be carried over to the next year
- Employers are not required to cash out paid sick leave at separation.

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Paid Sick Leave

Minimum Increment for Use

No Increment Requirement

-Los Angeles, Santa Monica

Not Less Than 1 Hour

-San Francisco, Oakland, Berkeley

Not Less Than 2 Hours

-California, San Diego, Emeryville

Paid Sick Leave - Permissible Uses

California

- Diagnosis, care, or treatment of an existing health condition of, or preventative care for, an employee or an employee's family member.
 - A child (regardless of age or dependency status), parent (including step-parents and parents-in-law), spouse, registered domestic partner, grandparent, grandchild, or sibling
- For an employee who is a victim of domestic violence, sexual assault or stalking to seek aid or medical attention; obtain services or counseling; or participate in safety planning

Paid Sick Leave - Permissible Uses

Various Cities In California

- Los Angeles
 - Also includes: Any individual related by blood or affinity whose close association with the employee is the equivalent of a family relationship
- San Diego
 - Also allows use of sick leave when the employee's place of business is closed by order of a public official due to a Public Health Emergency or if the employee is providing care or assistance to a child whose school or child care provider is closed due to a Public Health Emergency

Paid Sick Leave - Permissible Uses

Various Cities In California

- Berkeley, Emeryville, Oakland and San Francisco
 - Definition of “family member” to include a designated individual if employee has no spouse or registered domestic partner
- Oakland and Berkley
 - Medical need of employee or employee’s family member
- Emeryville
 - Also may provide care for guide dog, signal dog or service dog of the employee, employee’s family member or the person designated by employee.
- San Francisco
 - Can also be used for purposes related to employee who is a victim of domestic violation, sexual assault or stalking; and also related to donating bone marrow or an organ of the employee to another person or to care for a family member donating bone marrow or organ to another

Paid Sick Leave Compliance

Things To Do

- Provide proper notice to employees of the employer's Paid Sick Leave Policy based on California work location
 - Eligibility
 - Number of hours available
 - If advance notice is required
 - If verification is permissible
- Make sure eligible paid sick leave amounts are accurate (accrual or frontload)
- Paystub / Wage Statement Compliance
 - Correct regular rate of pay calculated
 - Include paid sick leave balance on paystubs

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Other Employee Benefits

Retirement Benefits

SB 1234 – Any employer with at least 5 employees that does not already offer a workplace retirement savings plan will be required to either begin offering one via the private market or provide its employees access to Cal Savers.

Size of Business	Deadline
100 or more employees	June 30, 2020
50-100 employees	June 30, 2021
5-50 employees	June 30, 2022



Questions

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