



California Employers Face Minimum Wage Increases This July 1

Insights

6.29.20

As many California employers are still reeling from the impacts of the pandemic, employers need to brace themselves and prepare for the minimum wage hikes going into effect in several cities across the state as of July 1, 2020. On Wednesday of this week, the following increased minimum wages will go into effect:

- **Alameda:** \$15.00/hour
- **Berkeley*:** \$16.07/hour
- **Fremont:** \$15.00/ hour for employers with 26 or more employees; \$13.50/hour for employers with 25 or fewer employees
- **Emeryville*:** \$16.86/hour
- **Fremont:** \$15.00/hour for employers with 26 or more employees; \$13.50/hour for employers with 25 or fewer employees
- **Los Angeles (City)*:** \$15.00/hour for employers with 26 or more employees; \$14.25/hour for employers with 25 or fewer employees
- **Los Angeles County (unincorporated areas):** \$15.00/hour for employers with 26 or more employees; \$14.25/hour for employers with 25 or fewer employees
- **Malibu:** \$15.00/hour for employers with 26 or more employees; \$14.25/hour for employers with 25 or fewer employees
- **Milpitas:** \$15.40/hour
- **Novato:** \$15.00/hour for employers with 100 or more employees; \$14.00/hour for employers with 26 to 99 employees; \$13.00/hour for employers with 25 or fewer employees
- **Oakland*:** Separate minimum wage for hotel workers takes effect
- **Pasadena:** \$15.00/hour for employers with 26 or more employees; \$14.25/hour for employers with 25 or fewer employees
- **San Francisco*:** \$16.07/hour
- **San Leandro:** \$15.00/hour
- **Santa Monica*:** \$15.00/hour for employers with 26 or more employees; \$14.25/hour for employers with 25 or fewer employees; hotel worker minimum wage aligned to City of LA hotel

wage

- **Santa Rosa:** \$15.00/hour for employers with 26 or more employees; \$14.00/hour for employers with 25 or fewer employees

****Local paid sick leave requirements apply (also San Diego, not listed).***

Although there has been discussion of delayed minimum wage increases, the only cities that have implemented such delays are Hayward and San Carlos. There is also a proposal to delay the anticipated January 1, 2021 state minimum wage increases. Stay tuned to see what lawmakers and Governor Newsom does with the proposal.

Of note, the salary test for employees classified under the executive, administrative, and professional exemptions is based on the state minimum wage, not any applicable local minimum wage. Thus, the salary test is not affected by the above increases and will not increase until January 1, 2021 (assuming the current proposal does not go forward).

The above minimum wage amounts generally apply to employees working within the geographic limits of the locality. Non-exempt employees working in any of the cities above must comply with the listed amounts, regardless of where the company, any office or headquarters is based.

State And Local Emergency Paid Sick Leaves

In addition to the minimum wage increases, California employers must also be cognizant of the various Emergency Paid Sick Leave ordinances in response to the ongoing COVID-19 pandemic:

- California's Statewide Supplemental Paid Sick Leave for Food Sector Workers, discussed [here](#)
- Long Beach's Emergency Paid Sick Leave Ordinance, available [here](#)
- The City of Los Angeles' Emergency Paid Sick Leave, discussed [here](#)
- Los Angeles County's Emergency Paid Sick Leave, discussed [here](#)
- Oakland Emergency Paid Sick Leave Ordinance, available [here](#)
- San Francisco's Public Health Emergency Leave Ordinance, discussed [here](#)
- San Jose's emergency paid sick leave ordinance, discussed [here](#)

Mandatory Retirement Plans

Finally, California employers should begin taking steps to prepare for implementation of the CalSavers Retirement Savings Program. Employers with **five or more employees** that do not already offer a workplace retirement plan will be required to register and participate in the CalSavers Program, as set forth in the schedule below. In light of the COVID-19 pandemic, the original registration deadline of June 30, 2020 has been extended.

The current registration deadlines are as follows:

- Employers with over 100 employees: September 30, 2020
- Employers with over 50 employees: June 30, 2021

- Employers with over 50 employees: June 30, 2021
- Employers with 5 or more employees: June 30, 2022

Conclusion

2020 continues to be a year of transition and challenges for employers. Fisher Phillips is here to help employers navigate these changing times. Please reach out to your Fisher Phillips attorney, or any attorney in our California offices, with any questions or to discuss implementation of any of the above.

This Legal Alert provides an overview of a specific developing situation. It is not intended to be, and should not be construed as, legal advice for any particular fact situation.

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