

Keeping Your Eye On The Ball: California Localities Increase Minimum Wage Effective July 1, 2020

June 11, 2020

Effective July 1, 2020, numerous California jurisdictions are scheduled to increase their minimum wage. Below we highlight those jurisdictions, and provide key takeaways for employers impacted by the increase.

Summary Of Changes

Jurisdiction	Change
Alameda City	\$15.00/hour , regardless of headcount.
Berkeley	\$16.07/hour , regardless of headcount.
Emeryville	\$16.84/hour , regardless of headcount.
Fremont	\$15.00/hour for employers with <i>26 or more employees</i> . \$13.50/hour for employers with <i>25 or fewer employees</i> , or non-profit corporations with <i>26 or more employees</i> subject to approval requirements.
Los Angeles City	\$15.00/hour for employers with <i>26 or more employees</i> . \$14.25/hour for employers with <i>25 or fewer employees</i> , or non-profit corporations with <i>26 or more employees</i> subject to approval requirements.
Los Angeles County (unincorporated locales)	\$15.00/hour for employers with <i>26 or more employees</i> . \$14.25/hour for employers with <i>25 or fewer employees</i> .
Malibu	\$15.00/hour for employers with <i>26 or more employees</i> . \$14.25/hour for employers with <i>25 or fewer employees</i> .
Milpitas	\$15.40/hour for employers who are subject to the city's business license requirement or who maintain a business facility in the city, and only for employees who perform at least two (2) hours of work per week in Milpitas.
Novato	\$15.00/hour for employers with <i>100 or more employees</i> . \$14.00/hour for employers with <i>26-99 employees</i> . \$13.00/hour for employers with <i>25 or less employees</i> .
Pasadena	\$15.00/hour for employers with <i>26 or more employees</i> . \$14.25/hour for employers with <i>25 or fewer employees</i> .
San Francisco City and County	\$16.07/hour , regardless of headcount.
San Leandro	\$15.00/hour for all businesses and non-profits, regardless of number of employees.
Santa Monica	\$15.00/hour for employers with <i>26 or more employees</i> . \$14.25/hour for employers with <i>25 or fewer employees</i> , and for all hotels and hotel related businesses.

Key Takeaways

Takeaway #1 - Update Payroll

If your organization is impacted by these increases, the first and perhaps obvious step is to update your payroll system to ensure the accurate hourly rate is reflected. This is especially important as it relates to calculating the regular rate of pay for employees as it relates to commissions, overtime, and any other calculation reliant on a regular rate calculation. Updating payroll is also essential for ensuring any reimbursements for businesses expenses are made at the appropriate level. It's important to note, however, that these minimum wage increases will not impact determining eligibility for an exemption under state law, as the calculation there is based on the state's minimum wage.

Takeaway #2 - Review Wage Statements

In California, getting data wrong on the wage statement can come with consequence. That's why it's critically important for employers to review their current wage statements to ensure the appropriate minimum wage is reflected effective July 1. While you're there, ensure the wage statement complies with the remaining requirements under California law.

Takeaway #3 - Watch For Travel Impacts

In some jurisdictions, such as Milpitas, the minimum wage increase may impact folks who are just passing through. It's therefore important to map your obligations under the various minimum wage laws, and then build out a reimbursement / payroll system that accurately reflects obligations as they may impact traveling employees.

Dentons COVID-19 Resources

Dentons has been helping clients address the challenges COVID-19 has presented since the outbreak started. We will continue to do all we can to support our clients and communities at this time. Our COVID-19 hub is updated regularly and includes links to a variety of practice and sector insights. We chose to make these resources available to you on a complimentary basis because sharing with those in need is simply the right thing to do.

Our offerings include a Global Labor & Employment tracker to provide guidance on what COVID-19 means in countries around the world for employers, including as to employer protection responsibilities, compensation, COVID-19 diagnosed employee response, privacy, and terms adjustment in the event of operational difficulties.

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