

# DID YOU MISS IT? MINIMUM WAGE INCREASES EFFECTIVE JULY 1ST

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A number of California municipalities raised their minimum wages on July 1, 2017. Employers should take care to note these changes because the pace of minimum wage increases in these locations will outstrip increases in the California state minimum wage in the race to reach \$15.00 per hour.

In determining whether a given increase applies, employers should know that it is not where an employee lives, or where an employer is based, that determines the minimum wage that must be paid. Rather, it is where the employee works that matters. In most of these locations, if an employee works as few as two hours in the city in a week, that municipality's minimum wage applies to the time worked there. Southern California municipalities that raised their minimum wage rate on July 1, 2017, unless another date is noted, are as follows: Location: Employers with at least 26 employees: Employers with fewer than 26 employees: City of Los Angeles \$12.00 \$10.50 County of Los Angeles (unincorporated areas) \$12.00 \$10.50 Santa Monica \$12.00 \$10.50 Malibu \$12.00 \$10.50 Pasadena \$12.00 \$10.50 San Diego (January 1, 2017) \$11.50 \$11.50

Other than the City of Los Angeles, where an employee must work at least two hours for 30 days for the same employer within a year before the city's minimum wage law applies, all locations above provide that as few as two hours of work in a week at the location triggers the municipality's minimum wage requirement.

Northern California locations with recent or impending increases in their minimum wage are below. Note that these locations do not distinguish between smaller and larger employers for minimum wage purposes: San Francisco (July 1, 2017) \$14.00 Berkeley (October 1, 2017) \$13.75 Oakland (January 1, 2017) \$12.86 Palo Alto (January 1, 2017) \$12.00 Richmond (January 1, 2017) \$12.30 El Cerrito (January 1, 2017) \$12.25 Mountain View (January 1, 2017) \$13.00 San Jose (July 1, 2017) \$12.00 Santa Clara (January 1, 2017) \$11.10 Sunnyvale (January 1, 2017) \$13.00 Emeryville (July 1, 2017) \$14.00 Milpitas (July 1, 2017) \$11.00 San Leandro (July 1, 2017) \$12.00

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The state minimum wage is currently \$10.50 per hour for employers with at least 26 employees, and \$10.00 per hour for smaller employers. The next increase in the state minimum wage will be on January 1, 2018, when employers with at least 26 employees will be subject to a minimum wage of \$11.00 per hour, and employers with fewer employees will be subject to a minimum wage of \$10.50 per hour. The state minimum wage governs the exempt employee threshold salary, which is currently \$43,680 annually for employers with at least 26 employees, will increase next year on January 1, 2018 to \$45,760. On that date the minimum salary for employees exempt from overtime for employers with fewer than 26 employees will be raised from \$41,800 per year to \$43,680 annually.

Employers should also keep an eye open for potential changes at the federal level. Last December, the U.S. Department of Labor had planned to increase the federal exempt salary threshold from \$23,660 to \$47,476, but this move was blocked by an injunction. The injunction has been appealed, and the new administration has asked the court to address the threshold legal question of the department's statutory authority to set a salary level, which appears to be a good sign for employers. Further, the new Labor Secretary, Alex Acosta, has informed the Senate that he would consider a far more modest increase to approximately \$30,000 to keep up with inflation. *The author would like to gratefully acknowledge the assistance of Joanne Warriner. This publication is published by the law firm of Ervin Cohen & Jessup LLP. The publication is intended to present an overview of current legal trends; no article should be construed as representing advice on specific, individual legal matters, but rather as general commentary on the subject discussed. Your questions and comments are always welcome. Articles may be reprinted with permission. Copyright ©2017. All rights reserved. ECJ is a registered service mark of Ervin Cohen & Jessup LLP. For information concerning this or other publications of the firm, or to advise us of an address change, please send your request to [info@ecjlaw.com](mailto:info@ecjlaw.com)*