



H.R. UPDATE

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Minimum Wage Increases

Unlike laws passed by some other states, Senate Bill 3 does not bar counties and cities from enacting their own minimum wages that are higher than the state's minimum wage. Many California cities and counties have passed local ordinances which apply to where your employees work.

Employers with exempt employees, however, should note that local minimum wage hikes (such as a city ordinance) do not affect the minimum salary requirements to qualify for wage and hour exemptions under state law.

Following is information on the California State, Los Angeles City and Los Angeles County Minimum wage.

CALIFORNIA STATE Minimum Wage Increase Schedule:

Effective Date	26 or more Employees	25 or less Employees
Jan 1, 2017	\$10.50	\$10.00
Jan 1, 2018	\$11.00	\$10.50
Jan 1, 2019	\$12.00	\$11.00
Jan 1, 2020	\$13.00	\$12.00
Jan 1, 2021	\$14.00	\$13.00
Jan 1, 2022	\$15.00	\$14.00
Jan 1, 2023	\$15.00	\$15.00

The Los Angeles City and Unincorporated areas of Los Angeles County raises the minimum wage as follows:

Effective Date	26 or more Employees	25 or less Employees
July 1, 2016	\$10.50	\$10.00
July 1, 2017	\$12.00	\$10.50
July 1, 2018	\$13.25	\$12.00
July 1, 2019	\$14.25	\$13.25
July 1, 2020	\$15.00	\$14.25
July 1, 2021	\$15.00	\$15.00

The Los Angeles City Ordinance requires increases to the minimum wage sooner than the anticipated California's state-wide minimum wage increases. The Los Angeles County Board of Supervisors adopted a similar ordinance for workers within the UNINCORPORATED areas of the Los Angeles County. (See attached list of Unincorporated areas)

Los Angeles City Paid Sick Leave effective July 1, 2016:

Employees must begin accruing sick leave immediately upon hire (or July 1, 2016, whichever is later) and may use accrued sick leave after their 90th day of employment.

Employers may either (1) grant employees all 48 hours of paid sick leave at the beginning of each year of employment, calendar year, or 12-month period; or (2) allow employees to accrue one hour of sick leave for every 30 hours worked.

Employees will be entitled to take up to 48 hours of sick leave each year. This is more generous than the 24 hours or 3 days that California law currently requires.

An employer may cap accrual of sick leave at 72 hours, but must allow employees to carry over all accrued but unused sick leave to the following year.

Employers need not pay out accrued, unused sick leave when an employee separates from the company, but they must reinstate the accrued, unused leave if the employee is rehired within a year.

If an employer has a paid leave or paid time off policy that provides employees with 48 hours or more of time off, the employer need not provide any additional sick leave.

As the primary HR Consulting firm for small and mid-sized employers throughout Southern California our goal is to support the growth of your business and navigate the challenges that can prevent you from accomplishing your objectives. HR Alternatives has been solving workplace issues since 1993.