



California Enacts \$15 Minimum Wage Rate

On April 4, 2016, Governor Jerry Brown signed a [bill](#) into law that will increase California's minimum wage rate to **\$15 per hour** by 2022. The minimum wage increase will be phased in over several years in separate schedules for employers, depending on the employer's workforce size. The law also extends paid sick leave for certain employees.

APPLICABILITY

The minimum wage rate increase applies to employers across all industries. However, different implementation schedules apply depending on the employer's workforce size.

For this purpose, an "employer" includes anyone who directly or indirectly (or through an agent or any other person) employs or exercises control over the wages, hours or working conditions of another person. This includes individuals and organizations in both the public and private sectors.

MINIMUM WAGE RATE SCHEDULE

Minimum Wage Rate		Effective Date
26 or more employees	25 or fewer employees	
\$10.50 per hour	N/A	Jan. 1, 2017
\$11 per hour	\$10.50 per hour	Jan. 1, 2018
\$12 per hour	\$11 per hour	Jan. 1, 2019
\$13 per hour	\$12 per hour	Jan. 1, 2020
\$14 per hour	\$13 per hour	Jan. 1, 2021
\$15 per hour	\$14 per hour	Jan. 1, 2022
Adjustment for inflation	\$15 per hour	Jan. 1, 2023
Adjustment for inflation	Adjustment for inflation	Jan. 1, 2024

After the rates described above are implemented, the state will adjust the minimum wage rate annually to reflect the rising cost of inflation.

IMPLEMENTATION

The law allows the governor to temporarily suspend the minimum wage rate increase schedule if the state's economic condition does not support an increase. Under a temporary suspension, the implementation schedule would be delayed by one year. However, the governor may not implement a temporary suspension more than twice.

MORE INFORMATION

Please contact Rogers & Young Insurance Services for more information on this new law, including provisions related to extended paid sick leave for certain employees.

This guide is not intended to be exhaustive nor should any discussion or opinions be construed as legal advice. It is provided for general informational purposes only. It broadly summarizes state statutes and regulations generally applicable to private employers, but does not include references to other legal resources unless specifically noted. Readers should contact legal counsel for legal advice.