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IT'S NOT EASY BEING AN EMPLOYER MINIMUM WAGE UPDATE

One of the issues an employer needs to stay aware of is the increases to the minimum wage. The Federal government occasionally increases the wage, which since 2009 has remained at \$7.25 per hour, but living in California, where the cost of living is so high; our California minimum wage is even higher. Also, cities and municipalities have recently been getting involved, which further complicated matters. For this reason, here is the quick look at the current and soon-to-be minimum wage.



\$15
Minimum Wage

On January 1, 2020, the minimum wage in California will raise up by \$1.00, to \$12.00 per hour for small employers (26 employees or less), and to \$13.00 per hour for larger employers. This is the law enacted in 2016, and promised to make the minimum wage for all employees \$15.00 per hour by 2023. This is possibly going to rise with the rate of inflation after that date; however that is an issue that the Legislature will need to debate.

Los Angeles City, being the progressive region that it is, has already surpassed the California rate before any increase. As of July 1, 2019, the minimum wage has been \$13.25 per hour for small employers, and \$14.25 per hour for large employers. This is slated to rise to \$15.00 on July 1, 2020.

For those in the Charming City of Santa Monica, the wage raised to \$13.25 for small employers, and \$14.25 for large employers as of July 1, 2019.

In 2016, the Department of Labor proposed changes to overtime regulations defining an “exempt employee.” An “Exempt Employee” is one that, due to one of several exemptions, is not automatically entitled to overtime pay, including a salary floor. Since 2004 this floor has been set at \$23,660 per year. Effective January 1, 2020, this floor has been raised to \$35,568 annual pay. This issue may effect your treatment of middle supervisory employees, as your rate may not meet the new Federal standards.

It's important that you as a responsible employer, review your personnel, and take the appropriate actions to conform to these changes.

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