



## LOCAL MINIMUM WAGE

### IMPORTANT INFORMATION FOR EMPLOYERS IN THE CITY OF SONOMA

After public outreach and series of public meetings, the Sonoma City Council passed a local minimum wage ordinance which became effective on July 10, 2019 as Ordinance #02-2019 (Sonoma Municipal Code section 2.80). It established a local minimum wage rate to be paid by Large Employers (26 or more employees) and Small Employers (25 or fewer employees) with annual adjustments.

The first date that Sonoma's local minimum wage differs from the State minimum wage is January 1, 2020.

A copy of the Official Notice for the Sonoma minimum wage is enclosed. Every employer is required to post the Official Notice in a conspicuous place at any workplace or job site. Please take time to review the answers to Frequently Asked Questions about Sonoma's minimum wage ordinance provided below and contact the City Clerk with any questions you may have.

#### Which employees are covered by Sonoma's minimum wage?

Sonoma's minimum wage applies to any person who in a particular week performs more than 2 hours of work within the geographic boundaries of the City of Sonoma for an employer. The employee must be entitled to payment of minimum wage under the California minimum wage law in order to be covered by Sonoma's minimum wage. Employees are covered for each hour worked within the City. An employee who is typically based outside the City, but works more than 2 hours within the City during a one-week period is covered for all time worked in the City in that one-week period.

#### How does Sonoma's minimum wage compare to California's statewide minimum wage?

Both the Sonoma minimum wage and the California minimum wage establish rates for large and small employers with annual increases at the beginning of each calendar year. A comparison is provided below.

DATE	STATE OF CALIFORNIA MINIMUM WAGE		CITY OF SONOMA LOCAL MINIMUM WAGE	
	LARGE EMPLOYER Minimum Wage for Employers with 26 or more Employees	SMALL EMPLOYER Minimum Wage for Employers with 25 or fewer Employees	LARGE EMPLOYER Minimum Wage for Employers with 26 or more Employees	SMALL EMPLOYER Minimum Wage for Employers with 25 or fewer Employees
January 1, 2020	\$13.00/hour	\$12.00/hour	\$13.50/hour	\$12.50/hour
January 1, 2021	\$14.00/hour	\$13.00/hour	\$15.00/hour	\$14.00/hour
January 1, 2022	\$15.00/hour	\$14.00/hour	\$16.00/hour	\$15.00/hour
January 1, 2023	CPI – US Average	\$15.00/hour	\$17.00/hour	\$16.00/hour
January 1, 2024	CPI – US Average	CPI – US Average	CPI (max 3.5%)	CPI (max 3.5%)

### **Under Sonoma's minimum wage ordinance, what is a Large Employer and a Small Employer?**

Sonoma's minimum wage ordinance sets different wage rates for Large Employers (an employer for which normally 26 or more persons work for compensation during a given week) and Small Employers (an employer for which normally 25 or fewer persons work for compensation during a given week). All persons performing work on a full-time, part-time, or temporary basis are counted, including persons working through the services of a temporary or staffing agency, regardless of whether the employees work inside or outside of the City. A Franchisee is not considered to be a Small Employer if associated with a Franchisor or network of Franchisees that employ more than 25 persons in aggregate.

### **Are there exemptions or exceptions to Sonoma's local minimum wage?**

Sonoma's minimum wage rate makes an exemption for a "Learner", an employee who is at least age 14 but not older than age 17 who meets the definition provided in California Welfare Commission Order No. 4-2001. A "Learner" may be paid not less than 85% of the local minimum wage (rounded to the nearest nickel) during his/her first 160 hours of employment, after which he/she shall be paid the applicable minimum wage. Sonoma's minimum wage ordinance also provides that any or all requirements may be waived in a bona fide collective bargaining agreement, but only if the waiver is explicitly and clearly set forth in that agreement. Governmental agencies are exempt from the provisions of the local minimum wage ordinance, however the City of Sonoma follows a separate "Living Wage" ordinance which is higher than the new local minimum wage for its employees and key contractors. Other wage laws still apply.

### **Can employers make deductions for tips or other types of compensation under Sonoma's ordinance?**

Sonoma's minimum wage does not allow for a tip credit or deduction, nor does it allow an employer to offset the minimum wage by the costs of housing or meals provided or paid for by the employer.

Employers may not fund any increase in compensation required by Sonoma's minimum wage through charges or wage deductions for parking, meals, uniforms or other items. Commissions and guaranteed gratuities (not including discretionary tips or gratuities) may be counted toward payment of the minimum wage when they are earned and paid together with other compensation paid to an employee and together are equal to or greater than the current minimum wage.

The ordinance includes a medical benefit credit to go into effect January 1, 2021. A working group will begin developing the rules and guidelines for implementing this credit in early 2020.

### **What notification and record retention requirements do employers need to follow?**

Every employer is required to post in a conspicuous place at any workplace or job site the current Official Notice (poster) that is enclosed and available to download on the City's website. Employers are required to give to each current employee and to each new employee at time of hire a written notification of his or her rights under the ordinance by providing a copy of the Official Notice. The notification shall be provided in all languages spoken by more than 10 percent of the employer's employees and posted prominently in areas at the work site where it will be seen by all employees.

Additionally, employers are required to: maintain for at least three years for each employee a record of his or her name, hours worked, and pay rate; provide each employee or his or her representative a copy of the records relating to such employee upon the employee's or representative's reasonable request; and provide each employee, upon hire and annually, a written notification setting forth the employer's legal name, address, and telephone number, and the name and contact information for a person responsible for inquiries concerning compliance with this chapter. For details, see SMC section 2.80.

**Please visit [sonomacity.org/wages](http://sonomacity.org/wages) for additional information.**

**To download the Official Notice (available in English and Spanish) for posting in the workplace – also visit [sonomacity.org/wages](http://sonomacity.org/wages).**

**If you have questions, contact the City Clerk at (707) 938-3681.**