



Memorandum

TO: Our valued LAK clients

FROM: Jennifer Raphael Komsky, Esq.,
Employment Law Partner

DATE: June 28, 2018

RE: California Minimum Wage Law- Changes effective July 1, 2018

The minimum wage in California is subject to increases that take effect every January 1st. The current hourly minimum wage subject to California law is \$11.00 for employers with 26 or more employees and \$10.50 for employers with 25 or fewer employees.

However, many cities and municipalities have their own minimum wage that typically applies to employers who have employees working at least 2 hours per week within those cities' boundaries. The cities of Los Angeles, Santa Monica, and Pasadena have local ordinances that are subject to increases July 1st of each year.

Beginning **July 1, 2018**, the minimum hourly wage for Los Angeles, Santa Monica, and Pasadena employers with 26 or more employees will be **\$13.25** and the minimum hourly wage for Los Angeles, Santa Monica, and Pasadena employers with 25 or fewer employees will be **\$12.00**.

Note that there are also increases to the minimum wage for hotel workers in certain cities that also take effect on July 1, 2018. Los Angeles and Santa Monica hotel workers' minimum hourly wage will be \$16.10 per hour and will increase to \$14.64 for Long Beach hotel workers.

Please review your payroll practices and ensure that any required adjustments timely go into effect. Do not rely on your payroll company to automatically make these adjustments. If you require any consultation about whether this minimum wage increase impacts your business, please contact me. I have also provided a reference chart on the next page to help determine the current minimum wage applicable to your business today and until the minimum wage reaches \$15.00 per hour for all non-exempt employees.

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Minimum Wage- Federal, State of California, and City of Los Angeles

YEAR	FEDERAL (since 2009)	CALIFORNIA (effective January 1)		LOS ANGELES/SANTA MONICA/ PASADENA (effective July 1)	
		26 or more	25 or fewer	26 or more	25 or fewer
2017	\$7.25	\$10.50	\$10.00	\$12.00	\$10.50
2018		\$11.00	\$10.50	\$13.25	\$12.00
2019		\$12.00	\$11.00	\$14.25	\$13.25
2020		\$13.00	\$12.00	\$15.00	\$14.25
2021		\$14.00	\$13.00		\$15.00
2022		\$15.00	\$14.00		
2023			\$15.00		

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