Blogs

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California's Minimum Wage Increases on January 1, 2024



On January 1, 2024, California's state minimum wage will increase to \$16 per hour for all employers.

This minimum wage rate applies to all employees, subject to a few limited exceptions. Correspondingly, exempt employees in California must earn no less than two times the state's minimum wage, or an annual salary of no less than \$66,560 (or \$1,280 per week) to meet this threshold requirement. Employers should post the Minimum Wage Order and the Wage Order applicable to their workplace at a worksite area accessible to employees. The wage orders can be downloaded and printed from the workplace postings page on the California Department of Industrial Relations (DIR) website here.

Industry-Specific Laws

In addition to the general minimum wage increase, this year, Governor Gavin Newsom approved laws changing minimum wage for certain sectors that go into effect later in 2024, including:

- **Fast food.** As initially described here and <a href=here, fast food workers at national fast food chains (defined as a set of limited-service restaurants consisting of more than 60 establishments nationally) must be paid a minimum of \$20 per hour, effective April 1, 2024. This law does not apply to bakeries that produce for sale on the establishment's premises bread and sell bread as a stand-alone menu item or restaurants in grocery establishments where the grocery establishment directly employs the staff of an on-premises restaurant.
- **Healthcare.** As initially described <u>here</u> and <u>here</u>, effective June 1, 2024, California's healthcare workers must be paid according to separate minimum wage schedules for covered healthcare employees, as defined, depending on the nature of the employer. The law sets forth detailed descriptions of which types of healthcare facilities are covered and which employees are covered by the law, and the minimum wage requirement ranges from \$18 per hour to \$23 per hour. The law also sets forth requirements for salary-based employees providing that they are to earn a monthly salary equivalent to no less than 150% of the

healthcare worker minimum wage or 200% of the applicable minimum wage, whichever is greater.

Minimum Wage Increases for Certain Localities

Employers should determine whether their city or county maintains minimum wage rates for nonexempt employees separate from and above the state rate. If a locality provides a higher minimum wage rate than the state rate, the employer must pay the higher local wage rate. As indicated in the chart below, certain localities (**in bolded text**) will increase their minimum wage rates for certain employees effective January 1, 2024. (Some localities increased the minimum wage rate in July 2023 and will do so again in July 2024).

City/County	Applies to	Minimum Wage Rate Per Hour	Effective Date
Alameda	All employees	\$16.52	07.01.2023
Belmont	All employees	\$17.35	01.01.2024
Berkeley	All employees	\$18.07	07.01.2023
Burlingame	All employees	\$17.03	01.01.2024
Cupertino	All employees	\$17.75	01.01.2024
Daly City	All employees	\$16.62	01.01.2024
East Palo Alto	All employees	\$17.10	01.01.2024
El Cerrito	All employees	\$17.92	01.01.2024
Emeryville	All employees	\$18.67	07.01.2023
Foster City	All employees	\$17.00	01.01.2024
Fremont	All employees	\$16.80	07.01.2023
Half Moon Bay	All employees	\$17.01	01.01.2024
Hayward	Companies with 26 or more employees	\$16.90	01.01.2024
	Companies with 25	5	
	or fewer	\$16.00	1.1.2024
	employees		
Los Altos	All employees	\$17.75	01.01.2024
Los Angeles	All employees	\$16.78	07.01.2023
Los Angeles—Unincorporated County	All employees	\$16.90	07.01.2023
Malibu	All employees	\$16.90	07.01.2023
Menlo Park	All employees	\$16.70	01.01.2024
Milpitas	All employees	\$17.20	07.01.2023
Mountain View	All employees	\$18.75	01.01.2024
	Companies with 25	5	
Novato	or fewer employees	\$16.04	01.01.2024
	Companies with 26-99 employees	\$16.60	

	Companies with 100 or more employees	\$16.86	
Oakland	All employees	\$16.50	01.01.2024
Palo Alto	All employees	\$17.80	01.01.2024
Pasadena	All employees	\$16.93	07.01.2023
Petaluma	All employees	\$17.45	01.01.2024
Redwood City	All employees	\$17.70	01.01.2024
Richmond	All employees	\$16.17 The City of Richmond has not posted an adjusted Minimum Wage for 2024. Please continue to monitor the <u>City's webpage</u> for changes.	01.01.2023
San Carlos	All employees	\$16.87	01.01.2024
San Diego	All employees	\$16.85	01.01.2024
San Francisco	All employees	\$18.07	07.01.2023
San Jose	All employees	\$17.55	01.01.2024
San Mateo	All employees	\$17.35	01.01.2024
Santa Clara	All employees	\$17.75	01.01.2024
Santa Monica	All employees	\$16.90	07.01.2023
Santa Rosa	All employees	\$17.45	01.01.2024
Sonoma	Companies with 26 or more employees	\$17.60	01.01.2024
	Companies with 25 or fewer employees	\$16.56	
South San Francisco	All employees	\$17.25	01.01.2024
Sunnyvale	All employees	\$18.55	01.01.2024
West Hollywood	All employees	\$19.08	07.01.2023

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