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California's Minimum Wage Increases on January 1, 2025



On January 1, 2025, California's state minimum wage will increase to [\\$16.50](#) per hour for all employers. As previously [described](#), California voters rejected Proposition 32, a stair-step-increased minimum wage initiative.

The \$16.50 minimum wage rate applies to all employees, subject to a few limited exceptions. With this increase, exempt employees in California, who must earn no less than two times the state's minimum wage, must now receive an annual salary of no less than \$68,640 (or \$1,320 per week) to meet this threshold requirement. Employers should post the updated Minimum Wage Order and the Wage Order applicable to their workplace. 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 state minimum wage increase, employers should be aware of changing minimum wages for certain sectors.

Fast food. As reported last year [here](#) and [here](#), the minimum wage for fast food workers at national fast food chains (defined as a set of limited-service restaurants consisting of more than 60 establishments nationally) increased to \$20 per hour starting on April 1, 2024. The Fast Food Council, which is in charge of determining the minimum wage for fast food workers on an annual basis, can increase the hourly minimum wage every year by either 3.5% or the increase in the Consumer Price Index, whichever is smaller. The Council can also establish a single statewide minimum wage or vary the minimum wage by region. At this time, the Council is still considering further wage increases in 2025 but has yet to make any announcement. As a reminder, the law does not apply to bakeries that produce bread for sale on the establishment's premises 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 reported previously [here](#), [here](#), and [here](#), minimum wage increases for California healthcare workers went into effect on October 16, 2024. Also, under the new law, salaried employees of covered employers must earn a monthly salary equivalent to no less than 150% of the healthcare minimum wage or 200% of the otherwise applicable minimum wage, whichever is greater. The change was to originally take effect this past June after the enactment of Senate Bill 525. However, Senate Bill 159 delayed implementation due to budgetary concerns. To be eligible for the minimum wage increase, the workers must (1) work for a “health care facility” covered by the new law and (2) provide healthcare services or support the provision of healthcare. The DIR web page provides a [Health Care Worker Minimum Wage Frequently Asked Questions](#), which details the minimum wage increases by employer type. The only increases going into effect on January 1, 2025, are those for covered healthcare facilities run by counties. Increases for other types of covered employers are scheduled to go into effect on July 1, 2025.

Minimum Wage Increases for Certain Localities

Employers should also be aware of minimum wage rates required by local cities or counties that are 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, 2025. (Some localities increased the minimum wage rate in July 2024 and will do so again in July 2025.)

2025 Minimum Wage Updates

City/County	Applies to	Minimum Wage Rate per Hour	Effective Date
Alameda	All employees	\$17.00	7/1/2024
Belmont	All employees	\$18.30	1/1/2025
Berkeley	All employees	\$18.67	7/1/2024
Burlingame	All employees	\$17.43	1/1/2025
Cupertino	All employees	\$18.20	1/1/2025
Daly City	All employees	\$17.07	1/1/2025
East Palo Alto	All employees	\$17.45	1/1/2025
El Cerrito	All employees	\$18.34	1/1/2025
Emeryville	All employees	\$19.36	7/1/2024
Foster City	All employees	\$17.39	1/1/2025
Fremont	All employees	\$17.30	7/1/2024
Half Moon Bay	All employees	\$17.47	1/1/2025
Hayward	Companies with 26 or more employees	\$17.36	1/1/2025
	Companies with 25 or fewer employees	\$16.50	1/1/2025
Los Altos	All employees	\$18.20	1/1/2025
City of Los Angeles	All employees	\$17.28	7/1/2024
Los Angeles – Unincorporated County	All employees	\$17.27	7/1/2024
Malibu	All employees	\$17.27	7/1/2024
Menlo Park	All employees	\$17.10	1/1/2025

Milpitas	All employees	\$17.70	7/1/2024
Mountain View	All employees	\$19.20	1/1/2025
Novato	25 or fewer employees	\$16.42	1/1/2025
	26 to 99 employees	\$17.00	1/1/2025
	100 or more employees	\$17.27	1/1/2025
Oakland	Non-hotel employees	\$16.89	1/1/2025
Palo Alto	All employees	\$18.20	1/1/2025
Pasadena	All employees	\$17.50	7/1/2024
Petaluma	All employees	\$17.97	1/1/2025
Redwood City	All employees	\$18.20	1/1/2025
Richmond	All employees	\$17.77	1/1/2025
San Carlos	All employees	\$17.32	1/1/2025
San Diego	All employees	\$17.25	1/1/2025
San Francisco	All employees	\$18.67	7/1/2024
San Jose	All employees	\$17.95	1/1/2025
San Mateo	All employees	\$17.95	1/1/2025
San Mateo – Unincorporated County	All employees	\$17.46	1/1/2025
Santa Clara	All employees	\$18.20	1/1/2025
Santa Monica	All employees	\$17.27	7/1/2024
Santa Rosa	All employees	\$17.87	1/1/2025
City of Sonoma	Companies with 26 or more employees	\$18.02	1/1/2025
	Companies with 25 or fewer employees	\$16.96	1/1/2025
South San Francisco	All employees	\$17.70	1/1/2025
Sunnyvale	All employees	\$19.00	1/1/2025
West Hollywood	Non-hotel employees	\$19.65	1/1/2025

Authors

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