

Alfred J. Landegger
Larry C. Baron
Roxana E. Verano
Christopher L. Moriarty
Oscar E. Rivas
Marie D. Davis
Brian E. Ewing
Jennifer R. Komsky
Rebecca L. Gombos
Patrick E. White III

“Understanding the New Minimum Wage & Sick Leave Laws”

Three New Employment Law Changes that Employers Need to Know

July, 2016

Presented By:

San Fernando Valley Location:

Roxana E. Verano, Esq.
Jennifer Raphael Komsky, Esq.

Ventura County Location:

Christopher L. Moriarty, Esq.
Marie D. Davis, Esq.



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Main Office

15760 Ventura Blvd.
Suite 1200
Encino, CA 91436
(818) 986-7561
Fax (818) 986-5147

Ventura Office

751 Daily Drive
Suite 325
Camarillo, CA 93010
(805) 987-7128
Fax (805) 987-7148

The attached material must not be considered legal advice. The sample forms and policies are for educational purposes only. We strongly recommend that you consult with legal counsel before adopting or implementing any of the attached sample forms and policies to avoid potential liability.

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Effective July 1, 2016

The City of Los Angeles Passes Generous Paid Sick Leave Ordinance

Not content with the state's paid sick leave law, the City of Los Angeles has now passed its own generous paid sick leave ordinance, which mirrors the state law in many respects, but also doubles the amount of paid sick time employers must offer to employees within the city.

Sick time requirement

The Los Angeles paid sick leave ordinance ("LA ordinance") mandates that employers provide 48 hours of paid sick leave every year to every employee who works 30 or more days within the City of Los Angeles. This paid sick leave may be given in one of two ways: (1) by providing 48 hours "up front" at the beginning of each calendar year, employment year, or other 12 month period, or (2) by providing employees accrued sick time at the rate of no less than one hour for every 30 hours worked (the "accrual" method). Under either method, the employee's unused paid sick leave carries over from year to year, up to 72 hours. This requirement is important because it differs from the state law, under which employers can avoid carry over of accrued hours by providing paid sick leave "up front."

Under the LA ordinance, a company may limit an employee's use of paid sick leave to 48 hours per calendar year, employment year, or other 12 month period, which is double the state law's yearly "use cap" of 24 hours. Total accrual of paid sick hours may be capped at 72 hours, well above the 48 hour cap allowed by state law.

Like the state law, unused sick time does not need to be paid when the employee stops working for the company. Also, like the state law, if an employee is rehired by the company within a year of ending employment, past accrued sick time must be reinstated, unless it was previously paid at the end of employment.

Paid sick leave under the LA ordinance must be paid at a rate equal to the new Los Angeles minimum wage rates in effect. Paid sick leave may be taken for the employee's own illness or the illness of any "family member," as defined by the state law. The LA ordinance also greatly expands on the allowable uses, by extending paid sick leave to employees for the illness of "any individual related by blood or affinity whose close association with the employee is the equivalent of a family relationship." This vague phrase will likely cause future litigation.

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A request to use accrued sick time cannot be denied if the employee submits it at least one hour before the beginning of the shift. Employees must be allowed to take paid sick leave in minimum increments of no more than two hours.

Employers who have a PTO policy that offers at least the amount of leave required under the LA ordinance, and can be used for the same purposes as the LA ordinance, need not change their policies.

Applicability

The benefits mandated by the LA ordinance must be implemented by July 1, 2016, for employers with more than 25 employees, and July 1, 2017 for employers with 25 employees or less. Paid sick leave must be offered to all employees who work over 30 days within the City of Los Angeles during a 12 month period, even if the work is sporadic, and regardless of the location of the employer. Like the state law, new hires can be restricted from using paid sick leave until the 90th day of employment, however, accrual of paid sick hours starts on the date of hire.

It is important to remember that employers must still comply with every requirement of the state law as well.

Enforcement

The LA ordinance prohibits retaliation against employees who seek to assert their rights under the new law. A separate ordinance created a new City of Los Angeles Office of Wage Standards to enforce the LA ordinance as well as the new LA minimum wage. This office can inspect workplaces, collect back wages, and assess administrative fines against companies. Employees can also file civil lawsuits for violations of the LA ordinance.

Steps to take

- These changes need only be implemented for employees who work more than two hours per week within the City of Los Angeles.
- Employers who already have paid sick leave that accrues throughout the year will have to increase their yearly “use” caps, and “accrual” caps, for employees within the City of Los Angeles, to meet the minimum requirements of the local ordinance. The rate of accrual is the same as the state law, one hour for every 30 hours worked.
- Employers who provide 3 days/24 hours “up front,” as allowed by the state law, will have to decide if it makes more sense for them to switch to an accrual system, with the “use” and “accrual” caps required by the LA ordinance.

City of Los Angeles Paid Sick Leave

Page 3

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- Employers who continue to provide paid sick leave “up front” will now have to give employees 48 hours every 12 month period, and start allowing carry over of paid sick leave from year to year, up to a cap of 72 hours, for employees within the City of Los Angeles.
- If an employer already has a sick time policy, or paid time off policy, that meets or exceeds the above requirements, no policy changes need to be made.

June 29, 2016

*Author, Brian E. Ewing, Esq.
Landegger Baron Law Group, ALC*

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The Importance of Reviewing Employees' Wages

Minimum Wage

Conducting periodic reviews of the wages you pay to your employees is important, and even more so this year. Initially, you will want to make sure that all of your employees' pay rates are at or above the correct state and local minimum wage. The California minimum wage is now \$10.00 per hour. It will increase to \$10.50 per hour on January 1, 2017 for companies with more than 25 employees and on January 1, 2018 for companies with 25 or fewer employees. There are subsequent increases required by the state law every January 1 afterward, until it reaches \$15 per hour on January 1, 2022 for companies with more than 25 employees and on January 1, 2023 for companies with 25 or fewer employees. After that, this minimum wage will be adjusted for inflation each year, and new rates will be published by the State at http://www.dir.ca.gov/dlse/faq_minimumwage.htm.

Many cities have higher minimum wages either at this time, or set to go into effect in the near future. For example, the City of Los Angeles is incrementally raising its minimum wage until it reaches \$15.00 per hour in 2020, 18 months earlier than the State. L.A.'s minimum wage ordinance requires payment of the local minimum wage to employees who work two or more hours per week within the city limits, for all hours worked within the city limits, regardless of where the employer is located and regardless of whether the employee is a city resident. The next increase is to \$10.50 per hour, which will occur on July 1, 2016, for employers with over 25 employees and July 1, 2017, for employers with 25 or fewer employees. There are subsequent increases required by the city ordinance every July 1 thereafter, until it reaches \$15 per hour on July 1, 2020 for companies with more than 25 employees and on July 1, 2021 for companies with 25 or fewer employees. After that, the L.A. minimum wage will be adjusted for inflation each year, and new rates will be published by the City. A newly created Office of Wage Standards will enforce the L.A. minimum wage, and also requires employers to post a notice to its employees. The Office has already published this notice on its website at <http://wagesla.lacity.org/>. Certain nonprofits can apply for a deferral under the ordinance.

The County of Los Angeles is following a similar minimum wage increase schedule that applies in unincorporated areas of Los Angeles County, like Calabasas, Marina del Rey, or Universal City. Other cities have their own minimum wage laws, for example, San Francisco's minimum wage rate is currently \$12.25 per hour, increasing to \$13.00 per hour on July 1, 2016.

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Cities might also have living wage ordinances or minimum wage laws targeted at specific industries or workers. For example, L.A.'s living wage ordinances applicable to contractors with the City and airport employees, and the L.A. minimum wage ordinance applicable to hotel employees, are still in effect. Employers must follow whichever law applicable to them is more generous to its employees. California and the U.S. Government have wage regulations applicable to federal or state contractors, for example, state prevailing wage laws. Companies usually become aware of these requirements when they contract with the government. For workers on those jobs, the requirements of the contract must be followed.

Salary levels for exempt employees

The California minimum wage is important not just for hourly employees, but also indirectly applies to salaried employees to whom employers wish to avoid paying overtime pay. For workers to be considered exempt from overtime pay, several requirements must be satisfied, one of which is that the employee's salary must equal or exceed two times the state minimum wage. As of today, exempt employees must be paid a salary of at least \$41,600.00 per year to qualify for any overtime exemption, and that minimum salary amount will change every time the state minimum wage changes. This salary test is not affected by local minimum wages.

There is a strong possibility that the salary threshold described above for exempt employees will soon change because new federal regulations governing overtime exemptions are being written. The Obama administration has not yet released the final regulations, but we expect they will be released by July.

The new regulations will change the salary test for overtime exemption under federal law, in all likelihood increasing it to \$50,440.00 per year. (The exact salary level for federal overtime exemption is not yet determined and will be contained in the final regulations.) Employers subject to the Fair Labor Standards Act will have to satisfy this higher federal standard if they want to continue to have their employees be exempt from overtime requirements.

Gender pay gap

Employers must conduct wage analyses not just to make sure they comply with applicable minimum wage laws and meet the minimum salary requirements for exempt employees, but also to determine whether any pay inequities exist between employees of different genders. Last year, California passed a tough new Fair Pay Act, which requires that women earn equal wages as men for "substantially similar work" (not necessarily the same job) when viewed as a composite of skill, effort, and responsibility and when performed under similar working conditions. If wage differences exist, employers must be able to show that the differences are based on factors such as seniority, merit, quantity or quality of production, or other bona fide factors other than sex. Employers should closely review their current pay practices and identify and correct any wage differentials that exist between women and men that cannot be justified by clear business realities. When conducting such an analysis, do not rely on job titles alone, or on job descriptions that do not accurately reflect the position's actual day-to-day duties.

In summary, periodically review your pay practices to ensure you satisfy all of the following:

- Federal, state and local minimum wages and living wage or prevailing wage regulations, if applicable to you.
- Salary tests for exemptions from overtime.
- Equal pay between the genders.

Our firm is ready to assist you in reviewing your pay practices in order to determine if you meet the requirements of the new, wide reaching Fair Pay Act, as well as ensuring that you are complying with all federal, state and local minimum wage laws that apply to you.

By: Brian E. Ewing, Esq.



City of Los Angeles Minimum Wage Frequently Asked Questions

11/2/15

Los Angeles Minimum Wage Ordinance

1. When does the City of Los Angeles Minimum Wage Ordinance take effect?

The ordinance takes effect on July 1, 2016.

2. Where can I find the Los Angeles Minimum Wage rate?

The wage rates will be posted at bca.lacity.org.

3. What City department is implementing the Ordinance?

The Department of Public Works, Bureau of Contract Administration, is the Designated Administrative Agency (DAA) for the Ordinance and has the administrative responsibilities to implement the guidelines and rules. Information is available at bca.lacity.org.

4. What is the definition of employee?

An employee is an individual who performs at least two hours of work in a particular week within the City of Los Angeles for an employer, and who qualifies as an employee entitled to payment of a minimum wage from any employer under the California minimum wage law.

5. Does the Los Angeles Minimum Wage apply to all employers who have employees performing work in the City of Los Angeles?

Yes. Regardless of where an employer's place of business is located, an employer must pay an employee who performs at least two hours of work in a particular week within the City of Los Angeles for all hours worked in the City of Los Angeles.

6. Does the Los Angeles Minimum Wage apply to full time and part time employees?

Yes. Any employee who performs at least two hours of work in a particular week within the City of Los Angeles is entitled to be paid the Los Angeles Minimum Wage.

7. Does the Los Angeles Minimum Wage apply to temporary employees?

Yes. Any employee who performs at least two hours of work in a particular week within the city of Los Angeles is entitled to be paid the Los Angeles Minimum Wage.

8. Does the Los Angeles Minimum Wage cover employees who work in Los Angeles but are not City residents?

Yes, any employee who performs at least two hours of work in a particular week within the City of Los Angeles is entitled to be paid the Los Angeles Minimum Wage regardless of the employee's city of residence.

9. What are the Los Angeles city boundaries? What zip code areas are within the Los Angeles city boundaries?

We recommend visiting <http://zimas.lacity.org/> as a reference.

10. Can tips be counted toward the minimum wage?

No.

11. How will the City enforce the Los Angeles Minimum Wage Ordinance?

The Los Angeles City Council enacted the Wage Enforcement Division Ordinance creating a division to enforce the Los Angeles Minimum Wage Ordinance. Responsibilities will include investigating potential violations, issuing

determinations of compliance or non-compliance, and obtaining restitution, fines, penalties, and/or interest where violations have occurred.

12. What impact will the Los Angeles Minimum Wage Ordinance have on the Living Wage or Citywide Hotel Worker Minimum Wage?

If the Los Angeles Minimum Wage conflicts with Living Wage or Citywide Hotel Workers Minimum Wage, the Living Wage or Citywide Hotel Worker Minimum Wage will supersede the Los Angeles Minimum Wage. However, an employer who is officially exempted from the Living Wage or Citywide Hotel Worker Minimum Wage requirements may still be required to adhere to the Los Angeles Minimum Wage.

Non-Profit Corporations

13. Are non-profits covered by the Los Angeles Minimum Wage Ordinance?

Yes, non-profit employers must abide by the Ordinance. Certain Non-Profit Corporation employers with 26 or more employees may qualify for the deferral rate schedule.

14. What are the requirements for a non-profit corporation to qualify for the deferral rate schedule?

Non-Profit Corporations with a valid 501(c)(3) status and with 26 or more employees may qualify for a year deferral from the July 1st 2016 start date if the non-profit corporation provides satisfactory evidence of one of the following requirements:

- A. The chief executive officer earns a salary which, when calculated on an hourly basis, is less than five times the lowest wage paid by the corporation; or*
- B. It is a Transitional Employer as defined in Section 10.31.1(h) of the Los Angeles Administrative Code; or*
- C. It serves as a child care provider; or*
- D. It is funded primarily by City, County, State or Federal grants or reimbursements*

A deferral application from BCA will be available at BCA.lacity.org.

15. What are the employer wage rate implementation schedules?

Employers with 26 or more employees shall pay a wage of no less than the hourly rates set forth:

1. *On July 1, 2016, the hourly wage shall be \$10.50.*
2. *On July 1, 2017, the hourly wage shall be \$12.00.*
3. *On July 1, 2018, the hourly wage shall be \$13.25.*
4. *On July 1, 2019, the hourly wage shall be \$14.25.*
5. *On July 1, 2020, the hourly wage shall be \$15.00.*

Employers with 25 or fewer employees shall pay a wage of no less than the hourly rates set forth:

1. *On July 1, 2017, the hourly wage shall be \$10.50.*
2. *On July 1, 2018, the hourly wage shall be \$12.00.*
3. *On July 1, 2019, the hourly wage shall be \$13.25.*
4. *On July 1, 2020, the hourly wage shall be \$14.25.*
5. *On July 1, 2021, the hourly wage shall be \$15.00.*

16. How is the size of an employer's business or Non-Profit Corporation determined?

The size of an employer's business or Non-Profit Corporation shall be determined by the average number of employees employed during the previous calendar year.

17. Does the size of an employer's business or Non-Profit Corporation include employees working outside of Los Angeles?

Yes.

Los Angeles Wage Enforcement Division Ordinance

18. What are employees' rights under the Wage Enforcement Division Ordinance?

Employees have the following rights:

- *Right to be provided the employer's name, address, and telephone in writing at the time of hire.*
- *Right to file a complaint or inform any person about any party's alleged noncompliance with the Ordinance.*

- *Right to inform any person of his or her potential rights under the Ordinance and to assist him or her in asserting such rights.*
- *Right against retaliation when the employee mistakenly, but in good faith, alleges noncompliance with the Ordinance.*

Any adverse action against an employee within 90 days of the employee's exercise of protected rights may be construed as retaliation for the exercise of such rights.

19. What are the notice and posting of the minimum wage requirements?

- *Every employer must post in a clearly visible place at any workplace or job site where any employee works, the notice published each year by the Division informing employees of the current minimum wage rate and of their rights under the Ordinance.*
- *Notices must be in English, Spanish, Chinese (Cantonese and Mandarin), Hindi, Vietnamese, Tagalog, Korean, Japanese, Thai, Armenian, Russian, and Farsi, and any other language spoken by at least five percent of the employees at the workplace or job site.*
- *Every employer must provide each employee at the time of hire, the employer's name, address, and telephone number in writing.*

20. What are the Notice of Determination posting requirements once it is issued?

Employer must, within 24 hours after receipt of a Notice of Determination, post the Notice of Determination in a clearly visible place on the property that is:

- 1) the Employer's principal place of business in the City;*
- 2) if the Employer's principal place of business is outside the City, the fixed location within the City from or at which the Employer conducts business in the City; or*
- 3) if the Employer does not regularly conduct business from a fixed location in the City, one of the following:*
 - a. the location where the Employer maintains payroll records if the Notice of Determination is for a violation of payroll access and retention requirements; or*
 - b. the jobsite or other primary location where the Employees perform services in the City.*

21. How long must employers retain payroll records?

Payroll records must be retained for a period of four years.

22. Does my employer need to give me a meal break?

Please see <http://www.dir.ca.gov/dlse/>.

23. Does my employer need to give me a rest break?

Please see <http://www.dir.ca.gov/dlse/>.

24. Should I receive overtime pay?

Please see <http://www.dir.ca.gov/dlse/>.

25. Who can report a suspected violation?

An employee or any other person may report a suspected violation of the Ordinance.

26. Will the City allow a complainant to remain anonymous?

To encourage reporting of a violation, the City shall keep confidential, as permitted by applicable laws, the name and other identifying information of the employee or person reporting the violation unless authorized by the employee or person reporting the violation.

27. Do you need a social security number or photo identification to file a claim?

No.

28. Do I need a lawyer to file a claim?

No.

29. Can I file a claim if I don't speak English?

Yes, the BCA will make an effort to provide an interpreter in your language. Be sure to request an interpreter when you file.

30. What can I do if my employer doesn't pay me at least the Los Angeles Minimum Wage?

You may report a violation to the BCA to open an investigation.

31. What can I do if my employer retaliates against me because I question her/him about not being paid the Los Angeles minimum wage?

Retaliation is prohibited under the Ordinance. You may report a violation to the BCA to open an investigation.

32. What if my boss fires or punishes me for reporting a problem?

Retaliation is prohibited under the Ordinance. You may report a violation to the BCA to open an investigation.

33. What type of violation will be investigated?

The BCA will investigate the following violations:

- *Failure to pay the Los Angeles Minimum Wage.*
- *Failure to comply with notice, posting, or payroll records requirements.*
- *Retaliation.*

34. Where else can a wage claim be filed?

The California Department of Industrial Relations, Division of Labor Standards Enforcement, also accepts and investigates wage claims. Please see <http://www.dir.ca.gov/dlse/> for more details.

35. What private right of action is available to an employee?

Any employee or any other person acting on the behalf of the public as provided for under applicable state law may bring a civil action in court against an employer for violations of this Ordinance.

36. If the BCA determines an employer violated the Los Angeles Minimum Wage Ordinance, what relief can the employee receive?

An employer who violates minimum wage requirements is liable to the employee for payment of back wages and an additional penalty of \$100 for each day that the violation occurred or continued. Where retaliation has occurred, the employee is entitled to reinstatement and a trebling of all back wages and penalties.

37. What can an employee do if an employer does not cooperate with the BCA's investigation into the employee's complaint?

An employee may bring a civil action and petition the court for an order requiring the employer to cooperate with the BCA's investigation and seek an order compelling payment of back wages and other amounts owed to the employee.

38. What happens if an employer does not cooperate with an investigation?

The BCA has the authority to issue administrative fines, payable to the City of Los Angeles, by means of a Notice of Determination.

ADMINISTRATIVE FINES

<i>Failure to post notice of the Los Angeles Minimum Wage rate</i>	<i>\$500 per day per employee</i>
<i>Failure to allow access to payroll records</i>	<i>\$500 per day per employee</i>
<i>Failure to maintain payroll records or to retain payroll records for four years</i>	<i>\$500 per day per employee</i>
<i>Failure to allow access for inspections of books and records or to interview employees</i>	<i>\$500 per day per employee</i>
<i>Retaliation for exercising rights under the ordinance</i>	<i>\$1000 per day per employee</i>
<i>Failure to provide employer's name, address, and telephone number in writing</i>	<i>\$500 per day per employee</i>
<i>Failure to cooperate with the Division's investigation</i>	<i>\$500 per day per employee</i>
<i>Failure to post Notice of Determination to employees</i>	<i>\$500 per day per employee</i>

*Maximum administrative fine paid to the City for **each type** of violation will be \$5,000 per employee per year, with the exception of a retaliation violation (\$10,000 per employee per year).*

39. Can undocumented workers file a complaint with the BCA?

Yes, the BCA investigates complaints regardless of an individual's legal status.

This fact sheet is intended as general information only and does not carry the force of legal opinion.

The BCA is providing this information as a public service. This information and related materials are presented to give the public access to information on the Los Angeles minimum wage law. You should be aware that while we try to keep the information timely and accurate, there would often be a delay between official publications of the materials and the modification of these pages. Therefore, we make no express or implied guarantees. We will make every effort to correct errors brought to our attention.

The City of Los Angeles can only advise employers how to comply with the Los Angeles Minimum Wage Ordinance. It cannot advise an employer how to comply with state law. Please contact the California State Labor Commissioner for information on compliance with state law.



OFFICIAL NOTICE

**California
Minimum Wage**

MW-2014

Minimum Wage - Every employer shall pay to each employee wages not less than the following:

\$8.00

per hour beginning January 1, 2008

\$9.00

per hour beginning July 1, 2014

\$10.00

per hour beginning January 1, 2016

To employers and representatives of persons working in industries and occupations in the State of California:

SUMMARY OF ACTIONS

TAKE NOTICE that on September 25, 2013, the California Legislature enacted legislation signed by the Governor of California, raising the minimum wage for all industries. (AB10, Stats of 2013, amending section 1182.12 of the California Labor Code.) Pursuant to its authority under Labor Code section 1182.13, the Department of Industrial Relations amends and republishes Sections 2, 3, and 5 of the General Minimum Wage Order, MW-2007. Section 1, Applicability, and Section 4, Separability, have not been changed. Consistent with this enactment, amendments are made to the minimum wage, and the meals and lodging credits sections of all of the IWC's industry and occupation orders.

This summary must be made available to employees in accordance with the IWC's wage orders. Copies of the full text of the amended wage orders may be obtained by ordering on-line at www.dir.ca.gov/WP.asp, or by contacting your local Division of Labor Standards Enforcement office.

1. APPLICABILITY

The provisions of this Order shall not apply to outside salespersons and individuals who are the parent, spouse, or children of the employer previously contained in this Order and the IWC's industry and occupation orders. Exceptions and modifications provided by statute or in Section 1, Applicability, and in other sections of the IWC's industry and occupation orders may be used where any such provisions are enforceable and applicable to the employer.

2. MINIMUM WAGES

Every employer shall pay to each employee wages not less than eight dollars (\$8.00) per hour for all hours worked, effective January 1, 2008, not less than nine dollars (\$9.00) per hour for all hours worked, effective July 1, 2014, and not less than ten dollars (\$10.00) per hour for all hours worked, effective January 1, 2016.

3. MEALS AND LODGING

Meals or lodging may not be credited against the minimum wage without a voluntary written agreement between the employer and the employee. When credit for meals or lodging is used to meet part of the employer's minimum wage obligation, the amounts so credited may not be more than the following:

	Effective January 1, 2008	Effective July 1, 2014	Effective January 1, 2016
LODGING			
Room occupied alone.....	\$37.63 per week	\$42.33 per week	\$47.03 per week
Room shared.....	\$31.06 per week	\$34.94 per week	\$38.82 per week
Apartment – two thirds (2/3) of the ordinary rental value, and in no event more than:.....	\$451.89 per month	\$508.38 per month	\$564.81 per month
Where a couple are both employed by the employer, two thirds (2/3) of the ordinary rental value, and in no event more than:.....	\$668.46 per month	\$752.02 per month	\$835.49 per month
MEALS			
Breakfast.....	\$2.90	\$3.26	\$3.62
Lunch.....	\$3.97	\$4.47	\$4.97
Dinner.....	\$5.34	\$6.01	\$6.68

4. SEPARABILITY

If the application of any provision of this Order, or any section, subsection, subdivision, sentence, clause, phrase, word or portion of this Order should be held invalid, unconstitutional, unauthorized, or prohibited by statute, the remaining provisions thereof shall not be affected thereby, but shall continue to be given full force and effect as if the part so held invalid or unconstitutional had not been included herein.

5. AMENDED PROVISIONS

This Order amends the minimum wage and meals and lodging credits in MW-2007, as well as in the IWC's industry and occupation orders. (See Orders 1-15, Secs. 4 and 10; and Order 16, Secs. 4 and 9.) This Order makes no other changes to the IWC's industry and occupation orders.

These Amendments to the Wage Orders shall be in effect as of July 1, 2014.

Questions about enforcement should be directed to the Division of Labor Standards Enforcement. Consult the white pages of your telephone directory under CALIFORNIA, State of, Industrial Relations for the address and telephone number of the office nearest you. The Division has offices in the following cities: Bakersfield, El Centro, Fresno, Long Beach, Los Angeles, Oakland, Redding, Sacramento, Salinas, San Bernardino, San Diego, San Francisco, San Jose, Santa Ana, Santa Barbara, Santa Rosa, Stockton, and Van Nuys.



SANTA MONICA'S MINIMUM WAGE FACT SHEET

\$15 by 2020

...Starting Now!

Santa Monica has a new minimum wage law. On July 1, 2016, the minimum wage will be \$10.50 per hour, with annual increases as shown below, reaching \$15.00 per hour on July 1, 2020. Smaller businesses (less than 25 employees) and qualifying nonprofits have an additional year to comply with the new law.

The wage for hotels and businesses operating on hotel property will be \$13.25 on July 1, 2016, and will match the Los Angeles hotel wage (\$15.37+ consumer price index increase) on July 1, 2017. The ordinance also includes paid sick leave, service charges, first-time worker, and enforcement provisions.

MINIMUM WAGE RATES			
(AS OF JULY 1 EACH YEAR)			
Year	Businesses with 26 or more employees	Businesses with 25 or fewer employees	All Hotels
2016	\$10.50	\$10.00 (CA State Minimum Wage)	\$13.25
2017	\$12.00	\$10.50	\$15.37 + CPI in 2017 (Aligned to City of LA Hotel Wage; increases annually by Consumer Price Index - CPI)
2018	\$13.25	\$12.00	
2019	\$14.25	\$13.25	
2020	\$15.00	\$14.25	
2021	\$15.00	\$15.00	

SICK LEAVE PROVISIONS		
(AS OF JANUARY 1 EACH YEAR)		
Year	Businesses with 26 or more employees	Businesses with 25 or fewer employees
2017	40 hours	32 hours
2018	72 hours	40 hours

Notes: Employees accrue one hour for every 30 hours worked.
Employers can provide leave up front, and employer plans can be more generous.

COMPLYING WITH OTHER MINIMUM WAGE LAWS

The State of California and the City and County of Los Angeles also have minimum wage laws. Santa Monica employers are responsible for complying with the Santa Monica ordinance and County and State requirements, where those are more generous.

DETAILS OF THE ORDINANCE

GENERAL MINIMUM WAGE

Businesses must comply with the local minimum wage starting July 1, 2016. Santa Monica's minimum wage law includes:

- Phased increase to reach \$15 in 2020 for most businesses
- One-year delay (\$15 by 2021) for businesses with 25 or fewer employees and qualifying non profit organizations
- Limited exemption for transitional employers
- Limited exemption for employees subject to a collective bargaining agreement

Santa Monica shares a general wage rate and schedule, including the one-year small business delay, with Los Angeles City and County.

HOTEL WORKER LIVING WAGE

The hotel worker wage is based on Santa Monica's commitment to supporting a vibrant and equitable tourism industry in parity with the region/Los Angeles hotel wages.

- Applies to all hotels, apart from Santa Monica's youth hostels
- Includes a one-year hardship waiver provision, on application and approval, for hotels that would need to reduce employment by more than 20% or reduce hours by more than 30% to avoid bankruptcy
- Applies to businesses that contract, lease, or sublet on hotel property or provide services on hotel property
- Limited exemption for employees subject to a collective bargaining agreement



HONEST WORK. FAIR PAY.
Santa Monica's Minimum Wage

For details on the minimum wage and all other provisions, visit smgov.net/minimumwage.

PAID SICK LEAVE

The Santa Monica ordinance requires paid sick leave for full-time, part-time, and temporary employees beyond State requirements.

- Accrual limits are as follows:
 - Jan. 1, 2017: 32 hours for small businesses (25 or fewer employees); 40 hours for larger businesses (26 or more employees).
 - Jan. 1, 2018: 40 hours for small businesses; 72 hours for larger businesses
- Accrual rate is one hour for every 30 hours worked.
- Employees can carry over accrued sick leave annually (calendar year, fiscal year, or hiring date) up to the accrual cap.
- Employers can provide sick leave at the start of the year as a whole rather than by accrual, as long as this provides leave consistent with the required accrual amounts.
- Other sick leave plans will comply if equal to or more generous than the ordinance.
- Sick leave use follows State guidelines (AB 1522).

SERVICE CHARGES

Santa Monica's ordinance requires that employers who collect service charges from customers must pay the entirety of those charges to the workers who performed those services.

- Service charges can be shared between front and back of house workers apart from hotel banquet/catering, portering, and delivery charges.
- Healthcare surcharges must be spent entirely on workers and follow specific guidelines.
- Employers must provide clear notice to customers of the charge and its use.
- Employers must share with employees how they distribute service charge proceeds, and must keep records of service charge revenue receipts and spending.

FIRST-TIME WORKERS

Employees working for the first time in an activity in which they have no previous similar or related experience can earn no less than 85% of the minimum wage for the first 160 hours of employment.

- This is the same as the State "learner" provision.
- City staff can provide further guidance regarding what constitutes similar or related experience, if needed.

ENFORCEMENT

The ordinance prohibits retaliation against employees for rights protected under the minimum wage law, and provides that employers cannot reduce employees' hours or other benefits to directly fund the wage increase. Employees have the right to file civil claims, and employers violating the law can be subject to administrative or criminal penalties. Go to smgov.net/minimumwage for updated information.

MINIMUM WAGE PROCESS

Over the course of eight months, City of Santa Monica staff worked with businesses, workers, advocacy groups, community members, and subject experts to hear concerns, conduct research, and recommend minimum wage law provisions to Santa Monica's City Council.

Business, labor, and community members also participated in a Minimum Wage Working Group to review and recommend technical adjustments to the adopted ordinance, which was subsequently adopted by the City Council on May 10, 2016.



SANTA MONICA'S MINIMUM WAGE

Frequently Asked Questions

\$15 by 2020

...Starting Now!

GENERAL WAGE

What is the new minimum wage law?

The law applies to businesses operating in Santa Monica, and covers any employee that works an average of two (2) hours per week in the City. It provides additional wage and sick leave benefits and other protections for Santa Monica employees and labor law requirements for Santa Monica businesses. The Special Provisions section provides information about the law's hotel wage, sick leave, service charges, first time workers (learners), and enforcement provisions.

What are the general minimum wage rates?

The first increase will be to \$10.50 per hour starting July 1, 2016 for businesses with 26 or more employees.

The table below shows the minimum wage rate schedule in the new law, reaching \$15 per hour on July 1, 2020. Employers with 25 or fewer workers will have an additional year to comply. Starting July 1, 2022, the rate will increase annually by the consumer price index (CPI).

Year*	Businesses with 26+ employees	Businesses under 25 employees
2016	\$10.50	\$10.00 **
2017	\$12.00	\$10.50
2018	\$13.25	\$12.00
2019	\$14.25	\$13.25
2020	\$15.00	\$14.25
2021	\$15.00	\$15.00

*Rate effective July 1 each year

**CA state minimum wage

Is this the same as the Los Angeles minimum wage rate?

Yes, the City and County of Los Angeles share the same wage schedule, with the one-year delay for smaller businesses.

Is this the only wage rate change or requirement?

No. Hotels and hotel related businesses (an employer that contracts, leases, or sublets premises connected to the hotel and operated in conjunction with the hotel, or that provides services at the hotel) must pay a hotel living wage starting July 1, 2016.

What is the difference between the Federal, State (CA), and Santa Monica minimum wage?

Santa Monica employers must comply with Federal, State, and Santa Monica minimum wage laws. Where there is a conflict, employers must follow the law that is most beneficial to the employee. Since Santa Monica's minimum wage is higher than the State and the Federal minimum wage, employers must follow Santa Monica's law, unless an exemption applies (see Deferrals and Exemptions below). Exemptions include employees who work under a collective bargaining agreement, and those exempt under State labor law.

When does the minimum wage ordinance take effect? When will I be responsible for complying?

Businesses must comply with the minimum wage rate starting **July 1, 2016**, and with sick leave provisions starting **January 1, 2017**.

Who will be enforcing the minimum wage law? Are there punishments for not complying?

Santa Monica will designate an agency to enforce its minimum wage law; this may be through LA County's Wage Enforcement Program (WEP). The State will continue to enforce some wage claims where appropriate. Businesses are subject to administrative citations and criminal prosecution for non-compliance, and employees have the right to bring civil claims against businesses on their own behalf. The Enforcement section contains more information.



HONEST WORK. FAIR PAY.
Santa Monica's Minimum Wage

For details on the minimum wage and all other provisions,
visit smgov.net/minimumwage.

What was the process for voting on this law? Did the City Council consider impacts on businesses?

City Council began discussing a Santa Monica minimum wage law in September 2014, when Los Angeles Mayor Garcetti announced the LA minimum wage plan, and formally directed staff to research and prepare a proposed law in July 2015. Since that time, staff has worked with subject matter experts, Santa Monica businesses and community business partners including the Santa Monica Chamber of Commerce and Santa Monica Travel and Tourism, workers, and the community to receive input on the law, and has made adjustments to proposals in response to this feedback.

You can find more information about the process, and view related community meetings, City Council discussions, and reports and research on the City's minimum wage page.

Who has to comply with the law?

All businesses located within Santa Monica and with employees entitled to payment of a minimum wage under California minimum wage law must comply. The law applies to any employee working a minimum of two hours within Santa Monica in a given week, so employers located outside Santa Monica but whose employees perform work in Santa Monica satisfying that requirement must also comply with Santa Monica's ordinance.

Workers not entitled to minimum wage payment under California law are also exempt from the local law. These exemptions apply to certain categories of workers including independent contractors, learners (for a limited time), in-home support services, and certain disabled workers. For further information on these categories of workers, please consult the Industrial Welfare Commission wage orders (<http://www.dir.ca.gov/iwc/WageOrderIndustries.htm>) and/or the Division of Labor Standards Enforcement (<http://www.dir.ca.gov/DLSE/dlse.html>).

Federal, State, County, City, and School District employees abide by different laws.

What if I work in Santa Monica, but I live somewhere else?

You must be paid the Santa Monica minimum wage rate.

Does the law apply to full-time and part-time workers?

Yes, it applies to both full-time and part-time workers.

I am part of a union. Does the new wage apply to me?

Yes. Santa Monica's ordinance is a minimum labor standard and a law of general application that applies to all employees covered by the ordinance, whether represented by a union or not. However, per Santa Monica Municipal Code Section 4.62.045, the ordinance provisions may be waived by a collective bargaining agreement. The waiver must be in a bona fide collective bargaining agreement, must be express, and must be in clear and unambiguous terms. The parties to a collective bargaining agreement are free to negotiate any language they desire, and the City will not interfere with or participate in the negotiation of such language.

What if I have other questions about the law?

You can review the City's resources online at www.smgov.net/minimumwage, email the City at minimum.wage@smgov.net, or call the information line at (310) 458-8281.

DEFERRALS AND EXEMPTIONS

Is anyone exempt from the minimum wage law?

Yes. The law does not apply to certain employees who do not qualify for minimum wage payments under California law. The minimum wage law also does not apply to employees participating in a collective bargaining agreement. Santa Monica's ordinance also contains limited exemptions for some nonprofit organizations, transitional employers, and first-time workers.

Are there different rules for small businesses?

Yes. Businesses with 25 or fewer employees (determined by the average number of employees employed per quarter during the previous calendar year) have a one-year delay in the minimum wage (see wage rate table), and a lower number of sick days (see sick leave section) than larger businesses.



I have a small office in Santa Monica, but belong to a company with many locations. Do I qualify for the smaller business one-year delay?

Please refer to Santa Monica Municipal Code Section 4.62.015(h). Your eligibility for a one-year delay will depend on both (1) the relationship of your office in connection to the company, and (2) the number of employees working in Santa Monica. Multiple employers that form a single integrated enterprise are considered a single employer if so deemed under the Fair Labor Standards Act (FLSA). In addition, the employee count (for purposes of determining 26 or more, versus 25 or fewer) is based on the number of employees fitting the Employee definition, meaning those individuals who perform at least two hours of work in a particular week within Santa Monica (see Municipal Code Section 4.62.010(c)).

Do nonprofits also need to comply with the law?

Yes. However, nonprofit organizations that meet any one of the following conditions can apply for a waiver to delay the minimum wage implementation by one year. All nonprofits with 25 or fewer employees will qualify for the small business delay, and do not need to apply for a one-year delay.

- The chief executive officer earns a salary that, when calculated on an hourly basis, is less than five times the lowest wage paid by the Nonprofit Corporation; or
- The Nonprofit Corporation is a Transitional Employer; or
- The Nonprofit Corporation serves as a child care provider; or
- The Nonprofit Corporation is funded primarily by City, county, state or federal grants or reimbursements.

How can I apply for a nonprofit deferral?

Please contact the City at minimum.wage@smgov.net (mail to: minimum.wage@smgov.net) to request an application form.

What defines a transitional employer? If I believe that I qualify, how can I apply for an exemption?

A Transitional Employer is a Nonprofit Corporation that provides Transitional Jobs (short-term, wage-paying, subsidized employment in a nonprofit corporation that combines actual work, skill development, and Supportive Services) for the long-term unemployed.

Please contact the City at minimum.wage@smgov.net (mail to: minimum.wage@smgov.net) to request an application form.

SPECIAL PROVISIONS (HOTEL WAGE, SERVICE / SURCHARGES, PAID SICK LEAVE, FIRST-TIME WORKERS)

HOTELS

What is the hotel minimum wage? When does it take effect?

Hotels and hotel related businesses (an employer that contracts, leases, or sublets premises connected to the hotel and operated in conjunction with the hotel, or that provides services at the hotel) must pay the hotel wage starting July 1, 2016. The hotel wage schedule is below. Starting July 1, 2017, the Santa Monica hotel wage will match that of the City of Los Angeles, which will be \$15.37 per hour plus an inflation factor, as set by the regional Consumer Price Index (CPI). Thereafter (from 2018 onwards), the wage will increase by the annual CPI and both Santa Monica and Los Angeles hotel minimum wage rates will be aligned. The annual rates will be posted on our website.

Santa Monica Hotels (excludes hostels)	
7/1/2016	\$13.25
7/1/2017	LA Hotel Wage

Why do hotels / hotel workers have a different requirement?

Tourism is one of the largest industries in the City and in the entire region, and having a uniform living wage for hotel workers regionally promotes equity and benefits in both the local and regional economy.

Is the hotel wage the same as Los Angeles?

It will be the same starting July 1, 2017. The one-year delay is to provide our Santa Monica hotel employers the same amount of time as in Los Angeles to plan for the wage increase. The Santa Monica wage is different only in that it applies to hotels of all sizes, where the Los Angeles hotel wage applies to hotels of 100 rooms or greater.



Are any hotels exempt?

The law does not apply to youth hostels.

Hotels can also apply for a one-year waiver under the Santa Monica Municipal Code Section 4.63.020. To qualify for the waiver, a hotel must demonstrate that compliance with the increased wage would lead to either a 20% decrease in its workforce or a 30% decrease in employee total hours to avoid bankruptcy or shut down. An external review or audit would establish these conditions, and an applying hotel must notify its employees.

I am part of a union. Does the new wage apply to me?

Yes. Santa Monica's ordinance is a minimum labor standard and a law of general application that applies to all employees covered by the ordinance, whether represented by a union or not. However, per Santa Monica Municipal Code Section 4.63.045, the ordinance provisions may be waived by a collective bargaining agreement. The waiver must be in a bona fide collective bargaining agreement, must be express, and must be in clear and unambiguous terms. The parties to a collective bargaining agreement are free to negotiate any language they desire, and the City will not interfere with or participate in the negotiation of such language.

SERVICE CHARGES

EMPLOYERS

My restaurant charges customers service charges. Will I need to change my current process?

Yes, most likely, per Santa Monica Municipal Code Section 4.62.040. The law requires service charge proceeds to be distributed to employees generally contributing to the customers' service (including back of house staff). Service charge proceeds cannot be distributed to employees whose primary roles are managerial or supervisory. Employers are also required to disclose in writing their plan for service charge distribution and report to employees the amount of service charges collected. The business cannot deduct credit card processing fees or costs from the employee's distribution.

The law also addresses transparency concerns for the customer: employers must clearly disclose all service charges to customers before they make a purchase or selection.

Lastly, the employer cannot automatically include any optional charge in a bill. If the charge is optional, a customer must write it in.

My restaurant uses a healthcare surcharge to offset employee health care costs. Do I need to change my current process?

Yes, most likely, per Santa Monica Municipal Code Section 4.62.040 (a)(1). The law requires that healthcare surcharges be deposited within seven days of collection into segregated accounts controlled exclusively by employees, such as (but not limited to) Flexible Spending Accounts, Health Savings Accounts, or Premium-Only Cafeteria Plans; or be paid to Employees in wages.

The law also addresses transparency concerns for the customer. Employers must clearly disclose all healthcare surcharges to customers before they make a purchase or selection.

My restaurant operates on a tipping model. Do I need to change my current process?

No, per Santa Monica Municipal Code Section 4.62.040(i), the law does not apply to any tip or gratuity.

What records do I need to keep?

Businesses that use any type of service charge are required to maintain records related to this type of business activity for three years from the date of the charges being collected.

My hotel has an established service charge sharing model for portage, catering, and room service. Do I need to change this?

No, per Santa Monica Municipal Code Section 4.62.040 (2)(C), employers that had, prior to July 1, 2016, an existing practice of pooling and distributing the service charges for portage, catering, and room service may continue to do so.

EMPLOYEES

I receive some income from service charges. Will anything change for me?

Yes, possibly. Employers may decide to distribute service charges to more or different staff than they have in the past, and will need to distribute 100% of proceeds to employees.



I receive tips in addition to my regular check. Will anything change for me?

The law will not impact your tips: per Santa Monica Municipal Code Section 4.62.040(i), the law does not apply to any tip or gratuity. However, the amount of your tips may change if your employer chooses to use a service charge, which would alter the distribution of the charge.

My employer redistributes service charges but I'm not sure how or who receives the money. Is this right?

No. The law requires employers to disclose the service charge distribution plan in writing to employees, and to report this distribution on employee pay checks.

PAID SICK LEAVE**When is the effective date? Is it the same as the minimum wage law?**

Businesses must comply with sick leave requirements starting January 1, 2017.

How many paid sick days does the law require?

The law requires employers to provide at least the hours below.

Year (Effective on Jan. 1)	Businesses with 26 or more employees	Businesses with 25 or fewer employees
2017	40 hours	32 hours
2018	72 hours	40 hours

How is this different from State law? Is the accrual rate the same?

The accrual rate (one hour for every 30 hours worked) is the same as under State requirements. Santa Monica's law provides for greater annual use (employees can use up to the accrued amount of 72 hours or 40 hours annually) and, for larger businesses, greater maximum accrual (maximum accrual as of January 1, 2018 is 9 days (72 hours) for large businesses)

Businesses should follow State guidelines for use of sick leave. You can find more information about California State sick leave at <http://www.dir.ca.gov/dlse/ab1522.html>.

What if the State and Santa Monica laws are different?

If there is a conflict, the employer must abide by the law that is most generous to employees.

Will paid sick leave hours roll over from year to year?

Yes. Any unused sick leave will roll over up to the cap of 40 hours or 32 hours (2016), and 72 or 40 hours in 2017 and after. The rollover can be on fiscal or calendar year, or anniversary date.

As a business can I provide required sick leave up front?

Yes. You can provide the required paid sick leave days at the start of the year (calendar year, fiscal year, or anniversary date) rather than by accrual as long as you satisfy the law's minimum requirements. If you provide the sick leave up front, you do not need to roll over unused sick leave from year to year.

Is there a limit to the total number of Paid Sick Leave days an employee can take in a year?

Yes, please see the chart above. If an employer provides sick leave up front, this effectively limits the days an employee can use during the year, as this is the total sick leave allocation. If an employer has employees accrue sick leave over time, employees can take up to the amount they have accrued at any time (following the first 90 days of employment). The employee can never accrue more than the cap, so can never take more than that amount at one time (unless the employer has a more generous policy).

Does the law require that employers compensate employees for unused hours (provide cash out for unused hours)?

No.



What about part-time employees? How does the law apply?

Part-time employees will accrue paid sick leave at the same rate as full time employees. If your employees accrue time off, they will continue to accrue up until they reach the maximum of 72 or 40 hours, whether or not that takes place within a year. If you provide sick leave up front, you must provide the maximum required, even if that employee would not have earned those days in a year under the accrual method.

FIRST-TIME WORKERS

I just got a new job. How does the new law apply?

If your new job is a position in which you have no previous similar or related experience, then your employer could pay you at 85% of the local minimum wage for the first 160 hours of your employment. Following 160 hours, the employer must pay you the general minimum wage rate.

I earned below the minimum wage last summer. I now have a new summer job, can my employer pay me below minimum wage again?

Only if your role is different enough to satisfy the requirement of similar or related experience. If you are working in your same or similar job duties, the employer must pay the general minimum wage.

ENFORCEMENT

How will the City enforce the minimum wage law?

The City plans to contract with Los Angeles County to process wage enforcement claims and conduct primary investigation of any claims. Wage enforcement hearings and appeals of administrative citations will follow the City's administrative hearing process (Santa Monica Municipal Code Chapter 1.09). The City will handle any criminal prosecution.

EMPLOYERS

How can I find out the new ordinance requirements?

You can download the ordinance at www.smgov.net/minimumwage; or in the City's Municipal Code.

The City has also prepared workplace notices to fulfill legal posting requirements and other information and resources, including an online toolkit with posters, flyers and pay stub notices, which you can find at www.smgov.net/minimumwage. Employers can print the legal notice from the website to post in employee break rooms or other prominent areas.

The City will be contracting with local organizations to assist with business outreach efforts which will include workshops. Check the website for upcoming notices.

Will the City provide resources so that I can post information for employees? Where can I find these?

Yes. The City will provide these at www.smgov.net/minimumwage in the Employer Resource section

EMPLOYEES

What types of activities are illegal for employers under the new law?

- Any activity that goes against the minimum wage law regulations is illegal. Illegal activities include:
- Payment below the required wage rate
- Failure to provide required sick leave
- Failure to provide records of service charge distribution
- Failure to distribute service charges to employees

Retaliation for asking about or requesting employers fulfill new wage requirements.

If you have questions about whether an activity is legal, you can contact the City. You can also email at any time to minimum.wage@smgov.net.

The City plans to contract with community organizations to provide employee outreach and education services which will include workshops. Check the website for upcoming notices.

Can my employer fire me for asking about the new law?

No. This would be retaliation and is illegal under the new law.



MINIMUM SALARY REQUIREMENTS FOR EXEMPT CALIFORNIA EMPLOYEES

	Current Federal Level	2019 (January 1 st)		2020* (January 1 st)		2021* (January 1 st)		2022* (January 1 st)	
		<u>25 or Less</u>	<u>26 or More</u>	<u>25 or Less</u>	<u>26 or More</u>	<u>25 or Less</u>	<u>26 or More</u>	<u>25 or Less</u>	<u>26 or More</u>
Yearly Salary	\$47,476	\$47,476	\$49,920	\$49,920	\$54,080	\$54,080	\$58,240	\$58,240	\$62,400
Weekly Salary	\$913	\$913	\$960	\$960	\$1,040	\$1,040	\$1,120	\$1,120	\$1,200

*Unless the Dept. of Labor increases the minimum salary to a level higher than the California State minimum.

NOTICE TO EMPLOYEE
Labor Code section 2810.5

EMPLOYEE

Employee Name: _____

Start Date: _____

EMPLOYER

Legal Name of Hiring Employer: _____

Is hiring employer a staffing agency/business (e.g., Temporary Services Agency; Employee Leasing Company; or Professional Employer Organization [PEO])? ☐ Yes ☐ No

Other Names Hiring Employer is "doing business as" (if applicable):

Physical Address of Hiring Employer's Main Office:

Hiring Employer's Mailing Address (if different than above):

Hiring Employer's Telephone Number: _____

If the hiring employer is a staffing agency/business (above box checked "Yes"), the following is the other entity for whom this employee will perform work:

Name: _____

Physical Address of Main Office: _____

Mailing Address: _____

Telephone Number: _____

WAGE INFORMATION

Rate(s) of Pay: _____ Overtime Rate(s) of Pay: _____

Rate by (check box): ☐ Hour ☐ Shift ☐ Day ☐ Week ☐ Salary ☐ Piece rate ☐ Commission

☐ Other (provide specifics): _____

Does a written agreement exist providing the rate(s) of pay? (check box) ☐ Yes ☐ No

If yes, are all rate(s) of pay and bases thereof contained in that written agreement? ☐ Yes ☐ No

Allowances, if any, claimed as part of minimum wage (including meal or lodging allowances):

(If the employee has signed the acknowledgment of receipt below, it does not constitute a "voluntary written agreement" as required under the law between the employer and employee in order to credit any meals or lodging against the minimum wage. Any such voluntary written agreement must be evidenced by a separate document.)

Regular Payday: _____

WORKERS' COMPENSATION

Insurance Carrier's Name: _____
Address: _____
Telephone Number: _____
Policy No.: _____
☐ Self-Insured (Labor Code 3700) and Certificate Number for Consent to Self-Insure: _____

PAID SICK LEAVE

Unless exempt, the employee identified on this notice is entitled to minimum requirements for paid sick leave under state law which provides that an employee:

- a. May accrue paid sick leave and may request and use up to 3 days or 24 hours of accrued paid sick leave per year;
- b. May not be terminated or retaliated against for using or requesting the use of accrued paid sick leave; and
- c. Has the right to file a complaint against an employer who retaliates or discriminates against an employee for
 1. requesting or using accrued sick days;
 2. attempting to exercise the right to use accrued paid sick days;
 3. filing a complaint or alleging a violation of Article 1.5 section 245 et seq. of the California Labor Code;
 4. cooperating in an investigation or prosecution of an alleged violation of this Article or opposing any policy or practice or act that is prohibited by Article 1.5 section 245 et seq. of the California Labor Code.

The following applies to the employee identified on this notice: *(Check one box)*

- ☐ 1. Accrues paid sick leave only pursuant to the minimum requirements stated in Labor Code §245 et seq. with no other employer policy providing additional or different terms for accrual and use of paid sick leave.
- ☐ 2. Accrues paid sick leave pursuant to the employer's policy which satisfies or exceeds the accrual, carryover, and use requirements of Labor Code §246.
- ☐ 3. Employer provides no less than 24 hours (or 3 days) of paid sick leave at the beginning of each 12-month period.
- ☐ 4. The employee is exempt from paid sick leave protection by Labor Code §245.5. (State exemption and specific subsection for exemption): _____

ACKNOWLEDGEMENT OF RECEIPT

(Optional)

(PRINT NAME of Employer representative)

(PRINT NAME of Employee)

(SIGNATURE of Employer Representative)

(SIGNATURE of Employee)

(Date)

(Date)

The employee's signature on this notice merely constitutes acknowledgement of receipt.

Labor Code section 2810.5(b) requires that the employer notify you in writing of any changes to the information set forth in this Notice within seven calendar days after the time of the changes, unless one of the following applies: (a) All changes are reflected on a timely wage statement furnished in accordance with Labor Code section 226; (b) Notice of all changes is provided in another writing required by law within seven days of the changes.