



ALERTS

Los Angeles City, County Minimum Wage Increases Effective July 1

June 30, 2022

Highlights

Los Angeles City and Los Angeles County are increasing their minimum wage rates effective July 1

Depending upon the location of the worksite and the governing body, the minimum wage in the Los Angeles Area can vary

New laws also are going into effect that provide for even greater minimum wages in the hotel and healthcare industries

Starting July 1, employers in jurisdictions of either Los Angeles City or Los Angeles County will need to increase their pay to minimum wage employees at or near the current \$15 per hour wage. Pursuant to the Los Angeles Minimum Wage Ordinance, the minimum wage will increase from \$15 an hour to \$16.04 an hour for all workers who perform at least two hours of work in any given week in the incorporated City of Los Angeles.

Employees falling under the County of Los Angeles wage law also have a new minimum wage. However, because Los Angeles County uses a different basis for its cost of living adjustments its rate is \$15.96 per hour.

Employers should be careful because depending on the physical location

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of the worksite within Los Angeles, the laws can vary. Cities such as Santa Monica, West Hollywood, Malibu and Pasadena each have specific minimum wage requirements with which employers need to comply.

In addition, most healthcare industry workers are soon to be guaranteed a minimum wage rate of \$25 an hour if a law passed by the Los Angeles City Council is approved by Mayor Eric Garcetti. This law also would place restrictions on layoffs and benefits cuts that might otherwise be used to offset the burden imposed by the law. This law parallels additional requirements for a specific City of Los Angeles ordinance requiring full-time hotel employees be paid at least an \$18.17 per hour minimum wage as well as guaranteed sick leave pay if their employer has 150 or more guest rooms.

Section 187.02(d) of the Minimum Wage Order is effective July 1, 2022, and links the city minimum wage to the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). This annual adjustment through the CPI-W will track with the U.S. Bureau of Labor Statistics Consumer Price Index, meaning employers will be able to anticipate and plan for predetermined future increases.

There are a number of requirements and changes that employers in Los Angeles will need to immediately implement. Employers not in compliance with the new minimum wage rates will have significant exposure to wage and hour violations. Employers should be aware of their current minimum wage rates and any additional requirements depending on their type of business in order to be fully compliant with the ordinance set to go into effect July 1, 2022.

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