

CALIFORNIA BUSINESS AFFAIRS UPDATE

Local Wage and Paid Sick Leave Regulatory Changes

The Vision Council maintains a membership in the California Chamber of Commerce (CalChamber) in order to engage in state and local business issues on behalf of California members. The below information was recently provided by the CalChamber in order to alert California companies to upcoming changes in local wage and sick leave regulations.

If you have any questions regarding these regulations, please contact Jason McElvaney, The Vision Council government & regulatory affairs liaison, at jason@mcelvaneypublicaffairs.com or 512-751-5555, or Greg Jacobs, business affairs counsel, at gjacobs@polsinelli.com or 202-626-8368.

Local Wage and Paid Sick Leave Changes for July 1

California employers have a tough time staying on top of ever-changing state employment laws. Throw local ordinances into the mix, and the task becomes even harder. But the fact is that many localities have taken matters into their own hands and enacted minimum wage or paid sick leave (PSL) laws that exceed state requirements.

Multiple localities already have minimum wage ordinances in effect. Several jurisdictions, such as Los Angeles, San Diego and others, recently added their own local ordinances. Check with your local city government on whether a local minimum wage ordinance might apply to your workforce.

Minimum Wage Changes

Below is a list of local minimum wage rates that will change on July 1. **Note:** Other localities also have minimum wage ordinances; this list covers only the July 1 changes.

City	Minimum Wage Rate
El Cerrito	\$11.60/hour
Emeryville	\$13/hour (55 or fewer employees); \$14.82/hour (56 or more employees)
Los Angeles	\$10.50/hour (26 or more employees); Requirement for smaller employers delayed until 2017
Los Angeles County	\$10.50/hour (26 or more employees); Requirement for smaller employers delayed until 2017
Pasadena	\$10.50/hour (26 or more employees); Requirement for smaller employers delayed until 2017
San Diego	\$10.50/hour (effective on or around July 7 — when the election results are certified)
San Francisco	\$13/hour
Santa Monica	\$10.50/hour (26 or more employees); Requirement for smaller employers delayed until 2017
Sunnyvale	\$11/hour

Paid Sick Leave Provisions

Besides minimum wage ordinances, cities have also taken on the issue of PSL. For example, the cities of San Diego and Los Angeles recently enacted new PSL ordinances that are effective this July, and these ordinances contain different provisions than the statewide PSL law. Santa Monica has a PSL ordinance that is effective January 1, 2017.

Other jurisdictions, such as San Francisco, Oakland and Emeryville, have had PSL ordinances on the books for a while.

If you have employees working in a city with a local PSL ordinance, you will need to comply with both the state and the local law. Eligibility for PSL may vary from city to city. For each provision, protection or benefit, employers will need to provide employees whichever is more generous to the employee.

For example, under state law, no matter how much PSL an employee has accrued in his/her leave bank, an employer can limit the employee's use of accrued PSL to three days or 24 hours per year. But in San Diego, an employer can't put such a tight restriction on use. Instead, employees must be allowed to use up to 40 hours of accrued PSL a year — the equivalent of five, eight-hour days of work.

Unfortunately, it's difficult to anticipate every possible scenario that California employers might be presented with when trying to make sure their own customized policies comply with local and state PSL laws. Keep in mind that if you are a national company, PSL laws outside of California also may apply to you.

Best Practices

- Check if any local ordinances may affect how you pay, provide benefits to or otherwise treat your employees.
- If you have employees working in a city with a local PSL ordinance, review your existing policies to make sure they comply.
- Consult legal counsel to develop a plan for complying with PSL laws in other localities.

