



## Action Required - California Minimum Wage Increase Effective January 1, 2017

California's statewide minimum wage increase takes effect January 1, 2017. The minimum wage is scheduled to increase to \$15.00 per hour over a 6-year period for all employers. The first increase will take effect on January 1, 2017 for employers with 26 or more employees. Employers with fewer than 26 employees will not see an increase until 2018.

California minimum wage increase schedule:

Effective Date	Minimum Wage Rate for Large Employers (26+ Employees)	Minimum Wage Rate for Small Employers (1-25 Employees)
January 1, 2017	\$10.50	\$10.00
January 1, 2018	\$11.00	\$10.50
January 1, 2019	\$12.00	\$11.00
January 1, 2020	\$13.00	\$12.00
January 1, 2021	\$14.00	\$13.00
January 1, 2022	\$15.00	\$14.00
January 1, 2023	No change - \$15.00	\$15.00

California employers must also comply with any city or county ordinance. Provisions of the statewide minimum wage do not preclude any of these local jurisdictions from enacting their minimum wage ordinances, therefore employers must comply with whichever law is most favorable to the employee. Effective January 1, 2017, 12 cities will increase their minimum wage and other jurisdictions will increase their minimum wage in July 2017 or later, all which are higher than the state minimum wage.

### Steps for Employers

1. California employers should review their employees' wages to ensure they comply with the new law and make the appropriate changes to take effect on January 1, 2017.
2. Updated posters have not yet been released by the State of California. As soon as these posters become available, HR Knowledge will make them available for [free download on our website](#).
3. California creditor garnishment calculations include the minimum wage rates so employers may need to review whether garnishments need to be modified to comply with the state and or local minimum wage laws.
4. If you are an HR Knowledge payroll client, please send any minimum wage changes to your Client Account Manager via your customized Employee Change Form.

If you have any additional questions or concerns about the minimum wage increase, please feel free to [reach out to our HR team](#) for guidance.

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