

California Statewide and Local Minimum Wage Rates to Increase in 2018

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California's minimum wage rate increased on January 1, 2018, to \$11.00 per hour for businesses employing 26 or more employees and \$10.50 per hour for those with 25 or fewer employees. The increase is a result of California Senate Bill 3, which was signed into law in 2016. The law will increase California's minimum wage to \$15 per hour by 2023. Thereafter, the minimum wage will change based on cost of living increases.

California's minimum annual salary for executive, administrative, and professional exempt employees of large businesses increased to \$45,760 from \$43,680. The minimum salary for exempt small businesses employees also increased to \$43,680 from \$41,600. This is because the state's minimum salary for exempt employees is tied to the state minimum wage. These minimum salary increases went into effect on January 1, 2018.

Additionally, California employers must comply with 23 city and county ordinances. In nearly all of these local jurisdictions, the minimum wage increased for 2018. In 13 cities, the minimum wage increased on January 1, 2018, and in most of the remaining jurisdictions, the minimum wage rate will increase in July of 2018 or later.

All of the 2018 local minimum wages are higher than the California state minimum wage. Five cities have reached the \$15 rate ahead of the California's statewide increase: Berkeley, Emeryville, Mountain View, San Francisco, and Sunnyvale. Large employers located in Emeryville will pay the highest rate, which is expected to reach \$15.60 in July of 2018. Only seven of the local jurisdictions—Emeryville, the City of Los Angeles, Los Angeles County, Malibu, Pasadena, Richmond, and Santa Monica—give smaller employers a break. Only one city, San Mateo, allows nonprofits to pay their employees a lower rate.

Note that increases in the local minimum wage do not affect the statewide minimum exempt salary level referenced above.

The chart below summarizes the increases scheduled for 2018:

California City or	Effective Date of	2017 Rate	2018 Rate
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County	Increase		
Berkeley	October 1, 2018	\$13.75	\$15.00
Cupertino	January 1, 2018	\$12.00	\$13.50
El Cerrito	January 1, 2018	\$12.25	\$13.60
Emeryville	July 1, 2018	\$15.20 (56 or more employees)	\$15.60 (estimated)
		\$14.00 (55 or fewer employees)	\$15.00
Long Beach (hotels)	July 1, 2018	\$14.35	To Be Announced
Los Altos	January 1, 2018	\$12.00	\$13.50
Los Angeles (City)	July 1, 2018	\$12.00 (26 or more employees)	\$13.25
		\$10.50 (25 or fewer employees)	\$12.00
Los Angeles County (unincorporated areas)	July 1, 2018	\$12.00 (26 or more employees)	\$13.25
		\$10.50 (25 or fewer employees)	\$12.00
Malibu	July 1, 2018	\$12.00 (26 or more employees)	\$13.25
		10.50 (25 or fewer employees)	\$12.00
Milpitas	January 1, 2018	\$11.00	\$12.00
	July 1, 2018		\$13.50
Mountain View	January 1, 2018	\$13.00	\$15.00
Oakland	January 1, 2018	\$12.86	\$13.23
Palo Alto	January 1, 2018	\$12.00	\$13.50
Pasadena	July 1, 2018	\$12.00 (26 or more employees)	\$13.25
		10.50 (25 or fewer employees)	\$12.00
Richmond	January 1, 2018	\$12.30 (without qualifying healthcare benefits)	\$13.41
		\$10.80 (with qualifying healthcare benefits)	\$11.91
San Diego	January 1, 2017	\$11.50	\$11.50
San Francisco	July 1, 2018	\$14.00	\$15.00
San Jose	January 1, 2018	\$12.00	\$13.50
San Leandro	July 1, 2018	\$12.00	\$13.00
San Mateo	January 1, 2018	12.00	\$13.50
		\$10.50 (nonprofit employers)	\$12.00
Santa Clara	January 1, 2018	\$11.10	\$13.00
Santa Monica	July 1, 2018	\$12.00 (26 or more employees)	\$13.25
		\$10.50 (25 or fewer employees)	\$12.00
Sunnyvale	January 1, 2018	\$13.00	\$15.00

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