

Palo Alto, Los Altos, and San Mateo Raise Minimum Wage

In June 2016, the Cities Association of Santa Clara County recommended a regional minimum wage increase to \$15.00 by 2019 (“\$15 by 19”), which is an accelerated version of the State’s minimum wage increase to reach \$15.00 by 2022.

Following this lead, Palo Alto, Los Altos, and San Mateo have now passed minimum wage ordinances that reach \$15.00 by 2019. Other Bay Area cities, including Campbell and Cupertino, are also considering a similar “\$15 by 19” ordinance. Sunnyvale and Mountain View have already adopted accelerated ordinances that increase the minimum wage to \$15 by 2018.

Palo Alto Minimum Wage Ordinance

On September 26, 2016, the Palo Alto City Council voted to increase minimum wage for work performed within the geographic boundaries of the City of Palo Alto, as follows:

Date	Minimum Hourly Wage
January 1, 2017	\$12.00
January 1, 2018	\$13.50
January 1, 2019	\$15.00

The minimum wage requirements can be waived through collective bargaining.

Otherwise, the ordinance applies to employers—including corporate officers and executives—who directly or indirectly through any other person, including through the services of a temporary employment agency, staffing agency, or similar entity employs or exercises control over the wages, hours, or working conditions of any employee, and who is either subject to Palo Alto’s business registry requirements, conducts business in Palo Alto, or maintains a business facility in Palo Alto.

“Employee” is defined as any person who performs at least two hours of work in a calendar week for the employer.

The ordinance does not apply to state, federal, and county agencies, including school districts, when the work performed is related to their governmental function. However, for work that is not related to their governmental function, including, but not

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limited to: booster or gift shops, non-K-12 cafeterias, on-site concessions, and similar operations, minimum wage is required. Lessees or renters of facilities or space from an exempt organization also are required to pay minimum wage.

Employers are required to post, in a conspicuous place at any workplace or job site where any employee works, a notice informing employees of the current minimum wage rate and of their rights. Employers must post such notices in any language spoken by at least five percent of the employees at the workplace or job site. Employers must also provide each employee, at the time of hire, with the employer's name, address, and telephone number in writing.

Los Altos Minimum Wage Ordinance

On September 27, 2016, the Los Altos City Council voted to increase minimum wage for work performed within the geographic boundaries of the City of Los Altos, as follows:

Date	Minimum Hourly Wage
January 1, 2017	\$12.00
January 1, 2018	\$13.50
January 1, 2019	\$15.00

The ordinance applies to employees who work perform at least two hours of work in a calendar week for an employer. "Employer" is defined as any person (including corporate officers or executives, who directly or indirectly through any other person, including through the services of a temporary employment agency, staffing agency or similar entity) employs or exercises control over the wages, hours, or working conditions of any employee and who is either subject to Los Altos's business license requirements or maintains a business facility in Los Altos.

The minimum wage requirements can be waived through collective bargaining.

Governmental agencies (including federal agencies, state agencies, school districts, and auxiliary organizations) are exempt from the minimum wage requirements under the principle of governmental immunity when the work performed is "related" to the agency's governmental function.

Commissions or guaranteed gratuities, not including discretionary tips, may be counted toward payment of the minimum wage when the commissions or guaranteed gratuities are earned and paid together with other compensation paid to an employee, and are equal to or greater than the current minimum wage. For each pay period, employers must pay the employee an amount that equals or exceeds the current hourly minimum wage.

Employers may offset a portion of the minimum wage for housing and meal costs if there is a prior voluntary agreement between employer and employee.

Employers must post in a conspicuous place, at any workplace or job site where any employee works, a notice informing employees of the current minimum wage rate and of their rights. The notice must be posted in the top three languages spoken in Los Altos. Employers are also required to provide each employee, at the time of hire, with the employer's name, address, and telephone number in writing.

San Mateo Minimum Wage Ordinance

On August 15, 2016, the San Mateo City Council adopted a Minimum Wage Ordinance which also requires annual increases above and beyond the wage required by the State. The increases are as follows:

Date	Minimum Hourly Wage	501(c)(3) Nonprofit
January 1, 2017	\$12.00	\$10.50
January 1, 2018	\$13.50	\$12.00
January 1, 2019	\$15.00	\$13.50

The minimum wage requirements can be waived through collective bargaining.

The ordinance applies to employers who are subject to the City of San Mateo Business License Tax, or who maintain a facility in the City of San Mateo, and employees who perform at least two hours of work per week in the City of San Mateo.

Employers must give written notification to each current employee (and to new employees at the time of hire) of the employee's rights under the Minimum Wage Ordinance. The employer must post the official notice prominently in the areas at the work site where it will be seen by all employees. Employers also must provide each employee, at the time of hire, with the employer's name, address, and telephone number in writing. Failure to post such notice will be a violation of the ordinance.

Retaliation and Penalties

The Palo Alto, Los Altos, and San Mateo ordinances prohibit retaliation for exercising rights such as filing a complaint or informing any person about any party's alleged noncompliance, or informing any person of his or her potential rights and assisting him or her in asserting such rights.

Penalties for violation of each of the three ordinances include: Back wages; interest; reasonable attorneys' fees and costs; a civil penalty in the amount of fifty dollars (\$50) to each employee or person whose rights were violated for each day that the violation occurred or continued; and reimbursement of the city's administrative costs of enforcement and reasonable attorney's fees.

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