



California Minimum Wage Increase

Becomes Effective July 1st, 2014

In September 2013 California passed House Bill AB10, which approved the first minimum wage raise for Californians in six years. The bill increases **California Minimum Wage to \$9.00 per hour effective July 1, 2014**, and to \$10.00 per hour effective January 1, 2016.

Employers should note that employees currently classified as exempt must still meet the salary basis test to qualify for the particular exemption claimed. As of July 1, 2014, California employers must pay exempt employees a minimum of \$37,440 per year (\$9/hour x 2 x 40 hours per week x 52 weeks per year). In 2016 the minimum salary must increase to \$41,600/year to maintain exempt status.

Employees who have not been paid minimum wages may recover liquidated damages in an amount equal to the wages unlawfully unpaid plus interest thereon through a civil action, an administrative hearing, or a citation issued by the Labor Commissioner.

Please direct your updated start paperwork and any questions or concerns you may have to your Payroll Coordinator.