

**Reminder: Minimum Wage Starts Increasing January 1, 2017**

In April 2016 Governor Jerry Brown signed Senate Bill 3 (Chapter 4/2016), which increases California's minimum wage to eventually \$15 per hour. The first increment goes into effect January 1, 2017, and the schedule is as follows:

Minimum Wage	Effective Date: Employers With More Than 25 Employees	Effective Date: Employers With 25 or Fewer Employees
\$10.50/hour	January 1, 2017	January 1, 2018
\$11/hour	January 1, 2018	January 1, 2019
\$12/hour	January 1, 2019	January 1, 2020
\$13/hour	January 1, 2020	January 1, 2021
\$14/hour	January 1, 2021	January 1, 2022
\$15/hour	January 1, 2022	January 1, 2023

The Governor can choose to pause any of the increases for one year depending on the condition of the economy or the State Budget, but the first increment to \$10.50/hour cannot be paused. Once the minimum wage reaches \$15 per hour it will be indexed annually for inflation, not to exceed 3.5% in any given year.

The first increment is coming up fast for employers with more than 25 employees, so this serves as a reminder to ensure that salary schedules and payroll systems have been updated as necessary.

