



# City of Los Angeles Minimum Wage Frequently Asked Questions

11/2/15

## Los Angeles Minimum Wage Ordinance

1. When does the City of Los Angeles Minimum Wage Ordinance take effect?

*The ordinance takes effect on July 1, 2016.*

2. Where can I find the Los Angeles Minimum Wage rate?

*The wage rates will be posted at <http://wagesla.lacity.org/>.*

3. What City department is implementing the Ordinance?

*The Department of Public Works, Bureau of Contract Administration (BCA), is the Designated Administrative Agency (DAA) for the Ordinance and has the administrative responsibilities to implement the guidelines and rules. Information is available at <http://wagesla.lacity.org/>.*

4. What is the definition of employee?

*An employee is an individual who performs at least two hours of work in a particular week within the City of Los Angeles for an employer, and who qualifies as an employee entitled to payment of a minimum wage from any employer under the California minimum wage law.*

5. Does the Los Angeles Minimum Wage apply to all employers who have employees performing work in the City of Los Angeles?

*Yes. Regardless of where an employer's place of business is located, an employer must pay an employee who performs at least two hours of work in a particular week within the City of Los Angeles for all hours worked in the City of Los Angeles.*

6. Does the Los Angeles Minimum Wage apply to full time and part time employees?

*Yes. Any employee who performs at least two hours of work in a particular week within the City of Los Angeles is entitled to be paid the Los Angeles Minimum Wage.*

7. Does the Los Angeles Minimum Wage apply to temporary employees?

*Yes. Any employee who performs at least two hours of work in a particular week within the city of Los Angeles is entitled to be paid the Los Angeles Minimum Wage.*

8. Does the Los Angeles Minimum Wage cover employees who work in Los Angeles but are not City residents?

*Yes, any employee who performs at least two hours of work in a particular week within the City of Los Angeles is entitled to be paid the Los Angeles Minimum Wage regardless of the employee's city of residence.*

9. What are the Los Angeles city boundaries? What zip code areas are within the Los Angeles city boundaries?

*We recommend visiting <http://zimas.lacity.org/> as a reference.*

10. Can tips be counted toward the minimum wage?

*No.*

11. How will the City enforce the Los Angeles Minimum Wage Ordinance?

*The Los Angeles City Council enacted the Wage Enforcement Division Ordinance creating a division to enforce the Los Angeles Minimum Wage Ordinance. Responsibilities will include investigating potential violations, issuing*

*determinations of compliance or non-compliance, and obtaining restitution, fines, penalties, and/or interest where violations have occurred.*

12. What impact will the Los Angeles Minimum Wage Ordinance have on the Living Wage or Citywide Hotel Worker Minimum Wage?

*If the Los Angeles Minimum Wage conflicts with Living Wage or Citywide Hotel Workers Minimum Wage, the Living Wage or Citywide Hotel Worker Minimum Wage will supersede the Los Angeles Minimum Wage. However, an employer who is officially exempted from the Living Wage or Citywide Hotel Worker Minimum Wage requirements may still be required to adhere to the Los Angeles Minimum Wage.*

### Non-Profit Corporations

13. Are non-profits covered by the Los Angeles Minimum Wage Ordinance?

*Yes, non-profit employers must abide by the Ordinance. Certain Non-Profit Corporation employers with 26 or more employees may qualify for the deferral rate schedule.*

14. What are the requirements for a non-profit corporation to qualify for the deferral rate schedule?

*Non-Profit Corporations with a valid 501(c)(3) status and with 26 or more employees may qualify for a year deferral from the July 1<sup>st</sup> 2016 start date if the non-profit corporation provides satisfactory evidence of one of the following requirements:*

- A. The chief executive officer earns a salary which, when calculated on an hourly basis, is less than five times the lowest wage paid by the corporation; or*
- B. It is a Transitional Employer as defined in Section 10.31.1(h) of the Los Angeles Administrative Code; or*
- C. It serves as a child care provider; or*
- D. It is funded primarily by City, County, State or Federal grants or reimbursements*

*A deferral application from BCA will be available at <http://wagesla.lacity.org/>.*

15. What are the employer wage rate implementation schedules?

*Employers with 26 or more employees shall pay a wage of no less than the hourly rates set forth:*

- 1. On July 1, 2016, the hourly wage shall be \$10.50.*
- 2. On July 1, 2017, the hourly wage shall be \$12.00.*
- 3. On July 1, 2018, the hourly wage shall be \$13.25.*
- 4. On July 1, 2019, the hourly wage shall be \$14.25.*
- 5. On July 1, 2020, the hourly wage shall be \$15.00.*

*Employers with 25 or fewer employees shall pay a wage of no less than the hourly rates set forth:*

- 1. On July 1, 2017, the hourly wage shall be \$10.50.*
- 2. On July 1, 2018, the hourly wage shall be \$12.00.*
- 3. On July 1, 2019, the hourly wage shall be \$13.25.*
- 4. On July 1, 2020, the hourly wage shall be \$14.25.*
- 5. On July 1, 2021, the hourly wage shall be \$15.00.*

16. How is the size of an employer's business or Non-Profit Corporation determined?

*The size of an employer's business or Non-Profit Corporation shall be determined by the average number of employees employed during the previous calendar year.*

17. Does the size of an employer's business or Non-Profit Corporation include employees working outside of Los Angeles?

Yes.

## Los Angeles Wage Enforcement Division Ordinance

18. What are employees' rights under the Wage Enforcement Division Ordinance?

*Employees have the following rights:*

- Right to be provided the employer's name, address, and telephone in writing at the time of hire.*
- Right to file a complaint or inform any person about any party's alleged noncompliance with the Ordinance.*

- *Right to inform any person of his or her potential rights under the Ordinance and to assist him or her in asserting such rights.*
- *Right against retaliation when the employee mistakenly, but in good faith, alleges noncompliance with the Ordinance.*

*Any adverse action against an employee within 90 days of the employee's exercise of protected rights may be construed as retaliation for the exercise of such rights.*

19. What are the notice and posting of the minimum wage requirements?

- *Every employer must post in a clearly visible place at any workplace or job site where any employee works, the notice published each year by the Division informing employees of the current minimum wage rate and of their rights under the Ordinance.*
- *Notices must be in English, Spanish, Chinese (Cantonese and Mandarin), Hindi, Vietnamese, Tagalog, Korean, Japanese, Thai, Armenian, Russian, and Farsi, and any other language spoken by at least five percent of the employees at the workplace or job site.*
- *Every employer must provide each employee at the time of hire, the employer's name, address, and telephone number in writing.*

20. What are the Notice of Determination posting requirements once it is issued?

*Employer must, within 24 hours after receipt of a Notice of Determination, post the Notice of Determination in a clearly visible place on the property that is:*

- 1) *the Employer's principal place of business in the City;*
- 2) *if the Employer's principal place of business is outside the City, the fixed location within the City from or at which the Employer conducts business in the City; or*
- 3) *if the Employer does not regularly conduct business from a fixed location in the City, one of the following:*
  - a. *the location where the Employer maintains payroll records if the Notice of Determination is for a violation of payroll access and retention requirements; or*
  - b. *the jobsite or other primary location where the Employees perform services in the City.*

21. How long must employers retain payroll records?

*Payroll records must be retained for a period of four years.*

22. Does my employer need to give me a meal break?

*Please see <http://www.dir.ca.gov/dlse/>.*

23. Does my employer need to give me a rest break?

*Please see <http://www.dir.ca.gov/dlse/>.*

24. Should I receive overtime pay?

*Please see <http://www.dir.ca.gov/dlse/>.*

25. Who can report a suspected violation?

*An employee or any other person may report a suspected violation of the Ordinance.*

26. Will the City allow a complainant to remain anonymous?

*To encourage reporting of a violation, the City shall keep confidential, as permitted by applicable laws, the name and other identifying information of the employee or person reporting the violation unless authorized by the employee or person reporting the violation.*

27. Do you need a social security number or photo identification to file a claim?

*No.*

28. Do I need a lawyer to file a claim?

*No.*

29. Can I file a claim if I don't speak English?

*Yes, the BCA will make an effort to provide an interpreter in your language. Be sure to request an interpreter when you file.*

30. What can I do if my employer doesn't pay me at least the Los Angeles Minimum Wage?

*You may report a violation to the BCA to open an investigation.*

31. What can I do if my employer retaliates against me because I question her/him about not being paid the Los Angeles minimum wage?

*Retaliation is prohibited under the Ordinance. You may report a violation to the BCA to open an investigation.*

32. What if my boss fires or punishes me for reporting a problem?

*Retaliation is prohibited under the Ordinance. You may report a violation to the BCA to open an investigation.*

33. What type of violation will be investigated?

*The BCA will investigate the following violations:*

- *Failure to pay the Los Angeles Minimum Wage.*
- *Failure to comply with notice, posting, or payroll records requirements.*
- *Retaliation.*

34. Where else can a wage claim be filed?

*The California Department of Industrial Relations, Division of Labor Standards Enforcement, also accepts and investigates wage claims. Please see <http://www.dir.ca.gov/dlse/> for more details.*

35. What private right of action is available to an employee?

*Any employee or any other person acting on the behalf of the public as provided for under applicable state law may bring a civil action in court against an employer for violations of this Ordinance.*

36. If the BCA determines an employer violated the Los Angeles Minimum Wage Ordinance, what relief can the employee receive?

*An employer who violates minimum wage requirements is liable to the employee for payment of back wages and an additional penalty of \$100 for each day that the violation occurred or continued. Where retaliation has occurred, the employee is entitled to reinstatement and a trebling of all back wages and penalties.*

37. What can an employee do if an employer does not cooperate with the BCA's investigation into the employee's complaint?

*An employee may bring a civil action and petition the court for an order requiring the employer to cooperate with the BCA's investigation and seek an order compelling payment of back wages and other amounts owed to the employee.*

38. What happens if an employer does not cooperate with an investigation?

*The BCA has the authority to issue administrative fines, payable to the City of Los Angeles, by means of a Notice of Determination.*

**ADMINISTRATIVE FINES**

|   |                                    |
|---|------------------------------------|
| <i>Failure to post notice of the Los Angeles Minimum Wage rate</i>                            | <i>\$500 per day per employee</i>  |
| <i>Failure to allow access to payroll records</i>   | <i>\$500 per day per employee</i>  |
| <i>Failure to maintain payroll records or to retain payroll records for four years</i>        | <i>\$500 per day per employee</i>  |
| <i>Failure to allow access for inspections of books and records or to interview employees</i> | <i>\$500 per day per employee</i>  |
| <i>Retaliation for exercising rights under the ordinance</i>                                  | <i>\$1000 per day per employee</i> |
| <i>Failure to provide employer's name, address, and telephone number in writing</i>           | <i>\$500 per day per employee</i>  |
| <i>Failure to cooperate with the Division's investigation</i>                                 | <i>\$500 per day per employee</i>  |
| <i>Failure to post Notice of Determination to employees</i>                                   | <i>\$500 per day per employee</i>  |

*Maximum administrative fine paid to the City for **each type** of violation will be \$5,000 per employee per year, with the exception of a retaliation violation (\$10,000 per employee per year).*

39. Can undocumented workers file a complaint with the BCA?

*Yes, the BCA investigates complaints regardless of an individual's legal status.*

**This fact sheet is intended as general information only and does not carry the force of legal opinion.**

The BCA is providing this information as a public service. This information and related materials are presented to give the public access to information on the Los Angeles minimum wage law. You should be aware that while we try to keep the information timely and accurate, there would often be a delay between official publications of the materials and the modification of these pages. Therefore, we make no express or implied guarantees. We will make every effort to correct errors brought to our attention.

The City of Los Angeles can only advise employers how to comply with the Los Angeles Minimum Wage Ordinance. It cannot advise an employer how to comply with state law. Please contact the California State Labor Commissioner for information on compliance with state law.