

Rising Minimum Wage Rates

And How They May Impact Your Business

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Presented by:

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What We'll Cover

- The likelihood of a federal minimum wage hike
- Recent state, county and city minimum wage increases
- Anticipated minimum wage changes
- The impact of a new minimum wage on business practices
- Smart strategies to maintain complete compliance

MINIMUM WAGE BASICS

Minimum Wage Basics

- Federal minimum wage has been set at \$7.25/hour since July 2009
- Certain federal contractors must now pay \$10.95/hour
- 29 states plus D.C. have higher minimum wage rates than federal law
- As of May 2021, 21 states and more than 30 cities have already raised their minimum wage – and several other states are planning increases this year
- Employers must pay the highest rate that applies, but display all required postings (even if the posters conflict)

THE LIKELIHOOD OF A FEDERAL MINIMUM WAGE HIKE

Biden Initiatives

- President Biden has signed an executive order raising the minimum wage for federal contract workers to \$15 an hour by March 2022
- The president also has pressed to increase the national minimum wage to \$15 an hour
- Biden initially included the increase as part of the \$1.9 trillion coronavirus relief bill, but the Senate ruled that it couldn't be included
- Biden has stated that he will push for Congress to pass a standalone bill to raise the national minimum wage ... but it's unclear if it will be passed

Effects of the “Fight for \$15”

- Even if it doesn't pass, experts believe the “Fight for \$15” push has succeeded by resetting Americans' idea of a reasonable wage
- Many companies are announcing they will adopt the \$15 minimum wage over the next few years, including McDonalds, Chipotle, Costco and Starbucks
- Amazon raised its minimum wage to \$15 in 2018 and Bank of America recently announced it will increase its rate to \$25 by 2025
- Americans, in general, now believe that \$15 is the standard minimum any job should pay

2021 MINIMUM WAGE CHANGES

2021 State MW Changes

State	New Minimum Wage	Effective Date	Poster Status
Alaska	\$10.34	January 1, 2021	Poster Updated
Arizona	\$12.15	January 1, 2021	Poster Updated
Arkansas	\$11.00	January 1, 2021	No Poster Update for 2021
California	\$14.00 (employers with 26+ employees)	January 1, 2021	No Poster Update for 2021
Colorado	\$12.32	January 1, 2021	Poster Updated
Connecticut	\$13.00	August 1, 2021	No Poster Update for 2021
District of Columbia	\$15.20	July 1, 2021	No Poster Update for 2021
Florida	\$8.65 (\$10.00 September 30, 2021)	January 1, 2021	Poster Updated
Illinois	\$11.00	January 1, 2021	Poster Update
Maine	\$12.15	January 1, 2021	Poster Update
Maryland	\$11.75 (15 or more employees)	January 1, 2021	No Poster Update for 2021
Massachusetts	\$13.50	January 1, 2021	No Poster Update for 2021
Minnesota	\$10.08 (annual gross revenues of \$500,000+)	January 1, 2021	Poster Updated
Missouri	\$10.30	January 1, 2021	Poster Updated
Montana	\$8.75	January 1, 2021	Poster Updated
Nevada	\$9.75 (w/o benefits)	July 1, 2021	Poster Updated
New Jersey	\$12.00 (employers with 6+ employees)	January 1, 2021	No Poster Update for 2021
New Mexico	\$10.50	January 1, 2021	Poster Updated
New York	Variable rates based on location	December 31, 2020	Poster Updated
Ohio	\$8.80 (gross revenues \$323,000+)	January 1, 2021	Poster Updated
Oregon	Variable rates based on location	July 1, 2020	Poster Updated
South Dakota	\$9.45	January 1, 2021	No Poster Update for 2021
Vermont	\$11.75	January 1, 2021	Poster Updated
Virginia	\$9.50	May 1, 2021	Poster Updated
Washington	\$13.69	January 1, 2021	No Poster Update for 2021

2021 City/County MW Changes

City/County	New Minimum Wage	Effective Date	Poster Status
Arizona			
Flagstaff	\$15.00	January 1, 2021	Poster Updated
California			
Belmont	\$15.90	January 1, 2021	Poster Updated
Cupertino	\$15.65	January 1, 2021	Poster Updated
Mountain View	\$16.30	January 1, 2021	Poster Updated
Oakland	\$14.36	January 1, 2021	Poster Updated
Palo Alto	\$15.65	January 1, 2021	Poster Updated
San Diego	\$14.00	January 1, 2021	Poster Updated
Sunnyvale	\$16.30	January 1, 2021	Poster Updated
Colorado			
Denver	\$14.77	January 1, 2021	Poster Updated
New Mexico			
Las Cruces	\$10.50	January 1, 2021	Poster Updated
Washington			
Seattle	\$16.69 (employers with 500+ employees)	January 1, 2021	Poster Updated

Other Minimum Wage Changes

These new minimum wages will also go into effect on July 1:

- The Los Angeles minimum wage for employers with 25 or fewer employees will increase from \$14.25 to \$15.00 per hour
- San Francisco's minimum wage will increase from \$16.07 to \$16.32
- Chicago's minimum wage for businesses with 21+ employees will increase from \$14.00 to \$15.00 per hour – while the rate for employers with 4-20 employees will go from \$13.50 to \$14.00
- The minimum wage for Minneapolis employers with 101+ employees will increase from \$13.25 to \$14.25 – while the rate for smaller companies will go from \$11.75 to \$12.50

Impact on Your Business

- Payroll
- Postings

MANAGING THESE CHANGES IN YOUR BUSINESS

Tips to Manage Your Business

1. Conduct an internal audit of your payroll practices to ensure compliance with federal, state and local minimum wage laws
2. When you come across any minimum wage laws that conflict, follow each law's provisions that are the most generous to the employee
3. Address any areas that require policy adjustments, such as adjusting your wage rates and written policies to meet state and local minimum wage and overtime requirements

Tips to Manage Your Business

4. Consider uniform practices across locations (consistency vs. cost)
5. Display local postings in addition to mandatory federal and state postings, even if the information conflicts
6. Assign a dedicated internal resource, or use an outsourced partner for posting compliance to stay abreast of changing federal, state and local minimum wage laws

SOLUTIONS TO PROTECT YOUR BUSINESS

Minimum Wage Monitor™ Premium Service

This service includes:

- An interactive, color-coded map with minimum wage data by state, county and city for all 50 states, plus the district of Columbia and Puerto Rico
- Current, past and future minimum wage rates (up to five years) for each location
- Automated email notifications whenever federal, state or local minimum wage laws are passed or changed, plus recurring reminder emails 90 days and 30 days before a new rate takes effect


Minimum Wage Monitor™

Premium Service (cont.)

The service also includes:

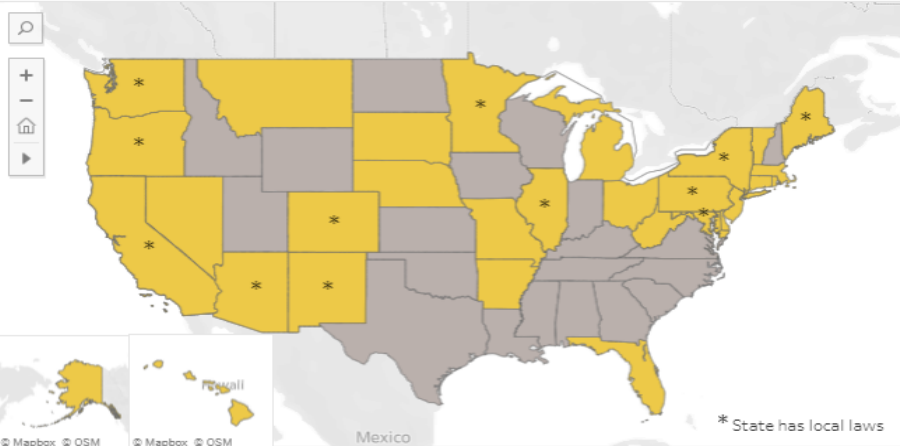
- Drill-down feature to view the full text of each law, along with the effective date, new wage rate, which employers are affected, and what governs the change (ordinance, statute, consumer price index, etc.)
- Filtering capabilities to isolate rates at each level — federal, state or local
- Real-time data maintained by in-house legal team

Minimum Wage Monitor™ Premium Service (cont.)



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Minimum Wage Monitor Premium Service



View laws as of:

Today

State:

(All)

City:

(All)

County:

(All)

Reset Filters

Detail

State	City	County	Wage Determination	Applies To:	Effective	Wage
Alabama			Federal	Most Employers	7/24/2009	\$7.25
Alaska			CPI	Most Employers	1/1/2020	\$10.19
Arizona			Statute	Most Employers	1/1/2020	\$12.00
	Flagstaff		Ordinance	Most Employers	1/1/2020	\$13.00
Arkansas			Statute	Most Employers	1/1/2020	\$10.00
California			Statute	Large Employers (26+) (\$12.00 with 25 or less)	1/1/2020	\$13.00
		Los Angeles County (Uninc. Areas)	Ordinance	Large Business (>25 Employees)	7/1/2020	\$15.00
				Small Business (<26 Employees)	7/1/2020	\$14.25
	Alameda		Ordinance	Most Employers	7/1/2020	\$15.00
	Belmont		Ordinance	Most Employers	1/1/2020	\$15.00
	Berkeley		CPI	Most Employers	7/1/2020	\$16.07
	Cupertino		CPI	Most Employers	1/1/2020	\$15.35
	Daly City		Ordinance	Most Employers	1/1/2020	\$13.75



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