



from the HR Support Center



MJC Employee Benefits
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California Law Alert

December 11th, 2018



California Minimum Wages and Employment Law Changes for 2019

As usual, the California legislature and various city councils had a busy year regulating the world's fifth largest economy. Included below are both state and city minimum wage increases as well as summaries of the laws that impact the human resources function.

Beginning January 1, 2019, the following minimum hourly wages will be in effect:

State—Employers with 26 or more employees: \$12.00

State—Employers with 25 or fewer employees: \$11.00

Belmont: \$13.50

Cupertino: \$15.00

El Cerrito: \$15.00

Los Altos: \$15.00

Mountain View: \$15.65

Palo Alto: \$15.00

Richmond: \$15.00

San Diego: \$12.00

San Jose: \$15.00

San Mateo: \$15.00, but \$13.50 for 501(C)(3) organizations

Santa Clara: \$15.00

Sunnyvale: \$15.65

Exempt Employee Minimum Salary

The yearly minimum salary for properly classified exempt employees in California is twice the minimum wage x 2080 hours per year. Therefore, each year as the minimum wage goes up, so does the minimum amount an exempt employee must be paid. Exempt employee minimum salaries are as follows for 2019:

Employers with 25 or fewer employees: \$45,760 per year, or \$880 per week.

Employers with 26 or more employees: \$49,920 per year, or \$960 per week.

References and Sexual Harassment

Currently, employers who are providing a reference are allowed to share certain factual information about the individual's job performance and qualifications for a position, as well as whether they would rehire that person. Effective January 1, 2019, the law will specify that an employer may also say whether its decision not to rehire is based on its determination that the individual engaged in sexual harassment.

For this kind of communication to be protected, it must be provided only to someone who the employer reasonably believes is a prospective

without hatred or ill will, and with reasonable grounds for believing their statements are true. Finally, an employer may only share that its decision not to rehire is due to sexual harassment if that decision is based on credible evidence. For example, if an employer terminated an employee for multiple reasons, including an unsubstantiated and uninvestigated sexual harassment complaint (perhaps the final straw), it should not share information about the sexual harassment complaint with a prospective employer.

Currently it's unclear whether employers can say more than, "our decision to rehire is based on sexual harassment," so until further guidance is provided by the state, we recommend that employers share only that much information when asked about eligibility for rehire.

