

Minimum Wage Increases 2019

On July 1, 2019 the minimum wage will increase in the cities of Los Angeles & Santa Monica, and the County of Los Angeles.

The City and County of Los Angeles Minimum Wage Ordinances both mandated annual wage increases until it reaches \$15.00 per hour on July 1, 2020. Small businesses (less than 25 employees) have an additional year to comply with the law. For specifics, please see [Los Angeles Minimum Wage Official Notice](#).

Wage Schedule Chart

Starting July 1, 2016, the minimum wage in the City of Los Angeles will increase according to the following schedules:

Effective Date	Employers with 26 or more Employees	Employers with 25 or fewer Employees or Non-Profit Corporations with 26 or more Employees with approval to pay a deferred rate
7/1/2016	\$10.50	\$10.00 (CA State Minimum Wage)
7/1/2017	\$12.00	\$10.50
7/1/2018	\$13.25	\$12.00
7/1/2019	\$14.25	\$13.25
7/1/2020	\$15.00	\$14.25
7/1/2021	\$15.00	\$15.00

The City of Santa Monica's minimum wage law went into effect July 1, 2016. The law mandated annual wage increases until it reaches \$15.00 per hour on July 1, 2020, see chart below. Smaller businesses (less than 25 employees) and qualifying nonprofits have an additional year to comply with the law. Where the State of California and the City and County of Los Angeles minimum wage laws conflict, Santa Monica employers must comply with the provision that is most generous to employees.

MINIMUM WAGE RATES			
(AS OF JULY 1 EACH YEAR)			
Year	Businesses with 26 or more employees	Businesses with 25 or fewer employees	All Hotels
2016	\$10.50	\$10.00 (CA State Minimum Wage)	\$13.25
2017	\$12.00	\$10.50	\$15.66
2018	\$13.25	\$12.00	Aligned to City of LA Hotel Wage Increases annually by CPI
2019	\$14.25	\$13.25	
2020	\$15.00	\$14.25	
2021	\$15.00	\$15.00	

If you're doing business outside the Cities of Los Angeles or Santa Monica, or the County of Los Angeles, we highly recommend that you check with your local municipality on the minimum wage rates to ensure your POS is programmed correctly with the current minimum wage.

In April 2016, the State of California passed legislation raising the minimum wage for all industries that went into effect January 1, 2017. The law mandated annual wage increases until it reaches \$15.00 per hour on January 1, 2022 or for smaller businesses (25 or fewer employees) on January 1, 2023, see chart below.

Schedule for California Minimum Wage rate 2017-2023.

Date	Minimum Wage for Employers with 25 Employees or Less	Minimum Wage for Employers with 26 Employees or More
January 1, 2017	\$10.00/hour	\$10.50/hour
January 1, 2018	\$10.50/hour	\$11.00/hour
January 1, 2019	\$11.00/hour	\$12.00/hour
January 1, 2020	\$12.00/hour	\$13.00/hour
January 1, 2021	\$13.00/hour	\$14.00/hour
January 1, 2022	\$14.00/hour	\$15.00/hour
January 1, 2023	\$15.00/hour	

We at Krost have helped restaurant owners and operators reach their financial and operational goals for over 80 years. Please feel free to contact Jean Hagan (jean.hagan@krostcpas.com) for help with strategies and practices to combat increasing labor costs, as well as financial systems and accounting to keep your business profitable.