



San Diego Approves \$11.50 Minimum Wage Hike and Sick Pay Ordinance

On July 14 the San Diego City Council approved an ordinance raising the city's minimum wage to \$11.50 per hour by 2017. The wage increase will be phased in over a three-year period. Under San Diego's bill, the city's hourly minimum would rise to \$9.75 on Jan. 1, 2015, reach \$10.50 the following year and hit \$11.50 by January 2017. The increases will place San Diego's minimum pay rate above the state (and federal) minimum wages. Further increases would be indexed to inflation, beginning in January 2019. The ordinance applies to all private sector employers, but the minimum wage is owed only to employees who work at least two or more hours per calendar week within city limits. The ordinance also requires employers to grant *up to* five days of paid sick leave per year beginning in 2015. The following changes are expected:

- ◆ Sick pay will accrue at the rate of 1 hour per 30 hours worked within city limits.
- ◆ The maximum accrual will be 40 hours per year.
- ◆ Accruals of up to 40 hours can carry over into the next year.
- ◆ Sick leave can be taken in a minimum of two-hour increments.
- ◆ Sick leave can be used for the employee's own illness, medical appointments, caring for family members, and taking time off due to domestic violence and related incidents.
- ◆ Generally, medical documentation excusing the absence will be permitted for absences exceeding three days.
- ◆ Employers will be required to post workplace notices of the new ordinance.

Businesses that violate the ordinance will be subject to civil litigation by aggrieved employees or an enforcement action by the city. Fines may be imposed in the amount of \$1,000 per violation. Mayor Faulconer said he will veto the increase because it "puts our job growth in jeopardy and will lead to higher prices and layoffs." San Diegans will have to wait and see how this story ends.

Practice Tip: If this bill is not vetoed, businesses that employ workers within San Diego city limits should plan to update their policies before the end of this year.

Ms. Koumas is the founder of the law firm Koumas Law Group. She has extensive experience in labor law compliance and employment litigation. Her practice focuses on the defense of employers in administrative claims filed with the Labor Commissioner, the Department of Fair Employment and Housing (DFEH), the Equal Employment Opportunity Commission (EEOC), and the Employment Development (EDD). She also represents the interests of employers and management in litigated matters, which include wage and hour issues, wrongful termination, sexual harassment and discrimination claims. She can be reached at (619) 682.4811 or via email, ejk@koumaslaw.com.