

City of Alameda Minimum Wage Ordinance Frequently Asked Questions

1. What is the Alameda Minimum Wage Ordinance?

A: The City Council adopted the Minimum Wage Ordinance on October 16, 2018, to increase the minimum wage to \$15.00 per hour by July 1, 2020. The Minimum Wage adjustments will take place in two stages as described in more detail below. The Ordinance requires employers that maintain a place of business in Alameda or are subject to the City of Alameda's business license requirement (see question #2 below) to pay the City's Minimum Wage to each employee who performs at least two (2) hours or more per week of work within the City limits. The full Ordinance can be found on the City's website at: <https://www.alamedaca.gov/GOVERNMENT/Departments/Economic-Development-and-Community-Services/Minimum-Wage>

Under State law, on January 1, 2019, the minimum wage for small businesses with 25 or fewer employees increased to \$11.00 per hour and for larger businesses with more than 25 employees increased to \$12.00 per hour. **However, the first increase in the City's Minimum Wage will occur on July 1, 2019, when it increases to \$13.50 per hour regardless the size of the business or number of employees.** Employers subject to the City's Minimum Wage Ordinance must pay all eligible employees Alameda's higher Minimum Wage as of July 1, 2019, for all hours worked in excess of two (2) hours per week within the boundaries of the City.

2. Which employers are subject to the City of Alameda's Business License?

A: All individuals, partnerships, corporations and sole proprietors conducting business in the City of Alameda are required to have a business license. This includes persons dealing with residential and commercial real estate rentals or who operate home-based businesses in the City.

3. How much is the City Minimum Wage?

A: Effective of July 1, 2019, the City Minimum Wage is \$13.50 per hour, regardless the size of the business or number of employees.

4. How often will the Alameda Minimum Wage be adjusted?

A: The City Minimum Wage for all businesses will be increased to \$13.50 per hour on July 1, 2019. Beginning on July 1, 2020, the City Minimum Wage will increase to \$15.00 per hour. There will not be another increase of the City's Minimum Wage until July 1, 2022.

Beginning on July 1, 2022 (and every July 1 thereafter) all Alameda employers subject to the City's Minimum Wage Ordinance will be subject to an annual Consumer Price

Index adjustment that will be capped at five percent (5%) per year. The chart below describes the State and City Minimum Wage adjustments.

Effective Date	Employers with 25 or fewer employees	Employers with more than 25 employees
January 1, 2019	\$11.00	\$12.00
July 1, 2019	\$13.50	
July 1, 2020	\$15.00	
July 1, 2022	Adjusted annually by the Consumer Price Index	

5. What is the difference between the Federal, State and City minimum wage laws?

A: City of Alameda employers are subject to Federal, State and local (Alameda) minimum wage laws. When there are conflicting requirements in the laws, the employer must follow the strictest standard—that is, the one that is most favorable to the employee. Since Alameda’s Minimum Wage Ordinance requires a higher minimum wage rate than the State and Federal law, covered employers are required to pay the City Minimum Wage. As of January 1, 2019, Federal Minimum Wage will be \$7.25 per hour and California Minimum Wage will be \$11.00 or \$12.00 per hour depending on the size of the business. The Alameda Minimum Wage will be \$13.50 as of July 1, 2019.

6. My company is not located in Alameda, but I have employees who work in Alameda. Would the Alameda Minimum Wage Ordinance apply to them?

A: Yes. The Alameda Minimum Wage Ordinance applies to employees working at least two (2) hours per week within the geographic boundaries of the City.

7. Does the Ordinance apply to rideshare and taxi companies that work in or pass through Alameda?

A: Taxi companies and taxi franchises are required to have a business license with the City of Alameda if they do business within the City limits. As a result, these taxi companies are required to pay the Alameda’s Minimum Wage. Other rideshare companies are regulated by the CPUC and are not required to pay the Alameda Minimum Wage.

8. What are the administrative requirements for covered employers under the Alameda Minimum Wage Ordinance?

A: In addition to payment of the City’s Minimum Wage, covered employers are required to:

- (1) Post a notice at the workplace of the current and prospective Minimum Wage rates and the employees’ rights under the City’s Ordinance. (By July 1 of each

year, the City will publish a suitable notice in the top five (5) languages spoken by Alameda residents and will make this notice available to employers.)

(2) Maintain payroll records for a period of four (4) years.

(3) Allow authorized City representatives to review payroll records as part of any investigation.

9. Does the Alameda Minimum Wage Ordinance cover employees who work in Alameda, but are not Alameda residents?

A: Yes. Any person who performs at least two (2) hours of work per week for an employer that maintains a facility in the City of Alameda or is required to obtain an Alameda business license, is entitled to be paid the City Minimum Wage, regardless of where they live.

10. Does an employer need to pay the Alameda Minimum Wage when an employee performs work outside the City of Alameda?

A: No. The Alameda Minimum Wage only applies to work performed within the geographic limits of the City of Alameda.

11. Does the Alameda Minimum Wage apply to full-time and part-time employees?

A: Yes. The Ordinance applies to any person who performs at least two (2) hours of work in a calendar week for an employer covered by the Ordinance.

12. Does the Alameda Minimum Wage apply to employees of non-profit agencies?

A: Yes.

13. Does the Ordinance protect undocumented workers?

A: Yes. All workers in the City of Alameda, whether or not legally authorized to work in the United States, must be paid the minimum wage set forth in the Ordinance. Claims will be processed and investigated without regard to a worker's immigration status. Workers reporting violations of the Alameda Minimum Wage Ordinance will not be questioned about their immigration status.

14. Does the Alameda Minimum Wage apply to employees who are under the age of 18?

A: Yes.

15. My business is a family-owned business. Do I need to pay my parent, spouse or child the Alameda Minimum Wage?

A: No. Consistent with California Labor Code, Section 3352 (a), individuals who are the parents, spouses or children of the employer are not covered by the Alameda Minimum Wage Ordinance.

16. Can an employee agree to work for less than Alameda's Minimum Wage?

A: No. Alameda's Minimum Wage must be paid by any employer who employs an individual who performs more than two (2) hours of work per week within the geographic boundaries in the City of Alameda.

17. May employers use tips or fringe benefits (health insurance, vacation, sick leave, meals) as a credit toward payment of the Alameda Minimum Wage?

A: No. An employer may not use an employee's tips or fringe benefits as a credit towards the employer's obligation to pay the employee the City Minimum Wage.

18. How do I report an issue with City Minimum Wage?

A: If you have questions, need additional information or believe you are not being paid correctly, notify your employer or contact the City's Base Reuse and Community Development Department at kchinn@alameda.gov or 510-747-6890.

19. What can I do if my employer retaliates against me because I question him/her about not being paid the Alameda Minimum Wage?

A: Under the Ordinance, it is unlawful for an employer to retaliate against any employee who asserts his or her rights to be paid the Alameda Minimum Wage. An employee or another person may report to the City's Base Reuse and Community Development Department (kchinn@alamedaca.gov or 510-747-6890) any suspected violation of the Ordinance, including retaliation by an employer. A fine may be assessed for retaliation by an employer in response to an employee exercising rights protected under the Ordinance. For a full description of actions and remedies, please refer to Section 4-60.65 of the Ordinance.

20. What are the penalties for violation of the Alameda Minimum Wage Ordinance?

A: Should an employer be found out of compliance with the Ordinance, the employer is subject to an administrative or criminal citation under the Ordinance. In addition, an employer found out of compliance with the Ordinance may be required to pay (1) back wages for pay that was unlawfully withheld or underpaid, (2) civil penalties of \$50 per day to each affected employee and the City.

21. Where can I find more information relating to Alameda's Minimum Wage Ordinance?

A: Information is posted on the City of Alameda's website at:

<https://www.alamedaca.gov/GOVERNMENT/Departments/Economic-Development-and-Community-Services/Minimum-Wage>