



Minimum Wage | Frequently Asked Questions

Updated November 5, 2019

- **Are employees classified as “learners” paid the minimum wage according to the City of South San Francisco Minimum Wage Ordinance?**
An employee who is a Learner, as defined by the California Industrial Welfare Commission Order No. 4-2001, shall be paid no less than 85 percent of the applicable Minimum Wage for the first 160 hours of employment. Thereafter, the employee shall be paid the applicable Minimum Wage Rate.
- **Are non-profit organizations exempt from the City of South San Francisco Minimum Wage requirements?**
No, non-profit organizations are not exempt from the minimum wage requirements. All businesses operating within the geographic boundaries of South San Francisco must pay employees who work two or more hours per week the local minimum wage.
- **Are small businesses exempt from the City of South San Francisco Minimum Wage requirements?**
No, the City of South San Francisco minimum wage ordinance does not exempt small businesses. All businesses operating within the geographic boundaries of South San Francisco must pay employees who work two or more hours per week the local minimum wage.
- **Are tips and/or gratuity considered part of the Minimum Wage hourly rate?**
No, tips and gratuity are not considered part of the minimum hourly wage rate and may not offset the hourly wage.
- **Can an employee agree to work for less than the City of South San Francisco Minimum Wage?**
No, employees may not agree to work for less than the South San Francisco Minimum Wage unless there is a bona fide collective bargaining agreement in place.
- **Does the City minimum wage apply to employees who work in South San Francisco, but are not residents of South San Francisco?**
Yes, any person who works for an employer that maintains a facility in the City of South San Francisco or provides good and/or services within the City limits is eligible to be paid at the City of South San Francisco’s minimum wage rate.
- **How much is the City’s proposed Minimum Wage rate?**
Starting January 1, 2020, the minimum wage will be increased to \$15.00 per hour; beginning in January 1, 2021, the minimum wage will be \$15 per hour plus an amount corresponding to the increase in the cost of living in 2020 (if there is an increase). Beyond 2021, the minimum wage in South San Francisco will be \$15 per hour plus adjustment according to the Consumer Price Index (CPI).



Minimum Wage | Frequently Asked Questions

Updated November 5, 2019

- **I pay for health insurance, vacation, sick leave and other benefits to my employees. Do these count towards the amount of the Minimum Wage paid to employees?**

No, an employer may not use fringe benefits such as health insurance, vacation, sick leave or other benefits to offset or use as a credit towards the employer's obligation to pay the City minimum wage.

- **My company is located in the City of South San Francisco, but I have employees who work outside of the City of South San Francisco. Do I have to pay the Minimum Wage to these employees?**

No, only employees who work within the geographic boundaries of the City of South San Francisco are subject to the City's minimum wage. All businesses operating within the geographic boundaries of South San Francisco must pay employees who work two or more hours per week the local minimum wage.

- **My company is not located in the City of South San Francisco, but I have employees who work in in the City of South San Francisco. Do I have to pay the Minimum Wage to these employees?**

Yes, any employee who works within the geographic boundaries of the City of South San Francisco is subject to the City of South San Francisco's Minimum Wage Ordinance.

- **What are my rights as an employee?**

The minimum wage in South San Francisco is increasing on January 1, 2020 to \$15 per hour. This applies to all employees working within the geographic boundaries of the City of South San Francisco, working two or more hours per week. All employees have rights pertaining to filing claims against employers who do not comply with the local minimum wage.

To file a complaint, you must submit in writing the nature of noncompliance to the City so they may investigate. When filing a complaint, the City considers all information confidential to the maximum extent permitted by law. It is illegal for employers to retaliate against an employee that brings a claim against them, even if the claim ends up being mistaken.

As an Employee, you have certain protected rights under the law. These include the right to file a complaint about any employer's alleged noncompliance. You may also inform any person of their rights as an employee and may assist them in asserting their rights (filing a claim, etc.). If violations are proved, the employee may receive the payment of back wages that were unlawfully withheld. Moreover, additional payment of up to \$50 per Employee/person whose rights were violated per day the violation occurred. The Employee is also entitled to interest accrued on all due and unpaid wages from the day wages were due to the date the wages are paid in full. These are just a couple examples of types of relief an Employee can receive if an employer does not comply with the Local Minimum Wage.



Minimum Wage | Frequently Asked Questions

Updated November 5, 2019

An Employee who is considered a Learner may be paid no less than 85% of the minimum wage for the first 160 hours of employment, after that the local minimum wage will prevail.

It is unlawful for employers to deduct or credit wages because of tips or gratuity.

- **What are the penalties for employers that do not pay the City of South San Francisco Minimum Wage?**

Penalties to the employer for violation of the Ordinance include but are not limited to:

- The City may issue an administrative citation with a fine of not more than \$50 for each day and for each employee to whom the violation occurred or continued and payment of back wages unlawfully withheld;
- The City may issue an administrative compliance order;
- The City may initiate a civil action for injunctive relief and damages and civil penalties in a court of competent jurisdiction;
- Reimbursement of the City's administrative costs of enforcement and reasonable attorney's fees;
- The City may revoke or suspend any registration certificates, permits or licenses held or requested by the employer until the violation is remedied

- **What else besides paying the City of South San Francisco Minimum Wage to employees am I required to do?**

Each year, the City will publish a bulletin notice in November on the Minimum Wage web page. It is the business owner's responsibility to post the new wage rate and bulletin from the City in the workplace, in a location that employees may view the new rate along with their rights. All employees must be able to read and understand the rate, so posting in other languages is recommended.

- **What is CPI and how is it being used for Minimum Wage?**

The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for goods and services.

The CPI is used as an economic indicator measuring inflation, a deflator of economic series and as a means of adjusting dollar values. This relates to the minimum wage in that it adjusts consumers' income payments to automatically provide cost-of-living wage adjustments. So, if the cost of living increases or decreases in a year, the local minimum wage will reflect that by adding a percentage to the \$15 base rate in 2020 and beyond. The CPI will always be based on the previous year, calculated by using the August to August change. For example, if the cost of living increases by 5% in 2019, then on January 1, 2020 the minimum wage will be \$15.00 per hour PLUS \$15 x 5%, making the new minimum wage \$15.75 per hour.

NOTE: A decrease in the CPI will not result in a decrease in the Minimum Wage.



Minimum Wage | Frequently Asked Questions

Updated November 5, 2019

- **What is the difference between the Federal, State and South San Francisco's proposed minimum wage laws?**

The minimum wage established by Federal, State and local government law sets the lowest wage an employer may legally pay to workers. As of January 1, 2018, California law requires the minimum wage for all industries to be no less than \$10.50 per hour for businesses with less than 25 employees and \$11.00 per hour for businesses with 26 or more employees. The Federal minimum wage for covered nonexempt employees has been \$7.25 per hour since July 24, 2009. At their August 28, 2019 City Council meeting, the City Council discussed interest in implementing a \$15 per hour minimum wage by January 1, 2020. At the September 25, 2019 meeting, City Council adopted the local minimum wage ordinance that increases local minimum wage to \$15 starting on January 1, 2020.

- **What is the State's Minimum Wage and what would a local minimum wage mean?**

The current minimum wage set by the State of California for all industries is \$10.50 per hour for businesses with less than 25 employees and \$11.00 per hour for businesses with 26 or more employees. Recent State legislation was signed which will raise California's minimum wage to \$15.00 per hour by 2023. After January 1, 2023, future wage increases are tied to inflation, reflecting increases in the Consumer Price Index, up to 3.5% per year.

The City Council approved a new local minimum wage ordinance after prioritizing the issue in 2019 to help assist low wage earners with the high cost of living in South San Francisco. The City's approach seeks to move quicker than the State's minimum wage, reaching \$15 per hour by 2020 after gaining extensive input from local businesses over the last year. On January 1, 2020, the City's local minimum wage will increase to \$15 per hour. After 2020, South San Francisco's local minimum wage will adjust with the Consumer Price Index.

This new law applies to all businesses within the geographic boundaries of South San Francisco and any employee working at least two or more hours per week.

- **What relief may I get as an employee whose rights were violated by an employer that did not pay the local Minimum Wage?**

The remedies for violation of the local minimum wage include, but are not limited to:

1. Reinstatement, and the payment of back wages unlawfully withheld, and the payment of an additional sum as a civil penalty in the amount of \$50 to each employee whose rights were violated for each day that the violation occurred, and fines imposed pursuant to other provisions of the local minimum wage ordinance or State law,



Minimum Wage | Frequently Asked Questions

Updated November 5, 2019

2. Interest on all due an unpaid wages at the rate of interest specified in subdivision (b) of Sec. 3289 of the California Civil Code, which accrues from the date that the wages were due and payable as provided to the date the wages are paid in full
- **When does the change go into effect?**
Starting on January 1, 2020, the minimum wage will increase to \$15 per hour. After 2020, the minimum wage will adjust according to CPI.
 - **Where can I get more information about the City of South San Francisco's Minimum Wage?**
To get more information about the City's minimum wage ordinance, you may go to the City's website: www.ssf.net/minimumwage, email: minimumwage@ssf.net; or call the City Manager's Office at 650-829-8502.
 - **Which employers are subject to South San Francisco's Business License tax?**
All businesses operating or doing business in South San Francisco are subject to a business license tax. Please see <https://www.ssf.net/departments/finance/business-license-information> for more information.
 - **Who do I contact if my employer is not paying the Minimum Wage?**
Please contact the City Manager's Office at 650-829-8502 or email minimumwage@ssf.net.