

PASADENA'S MINIMUM WAGE

Frequently Asked Questions

GENERAL WAGE INFORMATION

What is in the City of Pasadena Minimum Wage Ordinance?

The Pasadena City Council approved the ordinance to create a City Minimum Wage. The ordinance requires employers that maintain a place of business in Pasadena or perform any work/service within Pasadena city limits to pay the City Minimum Wage. The City's Minimum Wage became effective on July 1, 2016 for businesses with 26 or more employees and required payment of a minimum wage of \$10.50 per hour. That minimum wage increased to \$12.00 per hour on July 1, 2017, and will further increase to \$13.25 per hour on July 1, 2018.

When did the City of Pasadena Minimum Wage Ordinance take effect?

The ordinance became effective on July 1, 2016. The table below shows the minimum wage rate schedule in the ordinance, reaching \$12.00 per hour on July 1, 2017, and \$13.25 per hour on July 1, 2018.

Effective Date	For employers with 26 or more employees	For employers with 25 or fewer employees
July 1, 2016	\$10.50	\$10.00
July 1, 2017	\$12.00	\$10.50
July 1, 2018	\$13.25	\$12.00

Will the Pasadena Minimum Wage increase after 2018?

In February 2019, the City Council will review a report summarizing the economic impact of the citywide minimum wage on reducing poverty, unemployment, job creation, and the overall business climate. At that time the City Manager will request direction from the City Council regarding an amendment to increasing the citywide minimum wage according to the following schedule: (1) July 1, 2019: \$14.25 per hour and, (2) July 1, 2020: \$15.00 per hour.

Does the Pasadena Minimum Wage apply to all employers that have employees who perform work in Pasadena?

Yes. All employers regardless of where they are located must pay the Pasadena Minimum Wage to their employees who perform at least two hours work per week in Pasadena.

Must an employer post an official notice of the Pasadena Minimum Wage?

Yes. Employers must prominently post in areas at the workplace where it will be seen by all employees notice of the minimum wage. Notices must be posted in the language spoken by more than five (5) percent of the employees at the worksite.

Can tips be counted toward the new minimum wage?

No.

May commissions be counted toward payment of the Pasadena Minimum Wage?

Yes. Commissions may be counted toward payment of the Pasadena Minimum Wage. If the commissions earned and paid, together with other compensation paid to an employee, are equivalent to or greater than the current Pasadena minimum wage, then the City's minimum wage requirement is satisfied. For each pay period, employers must pay the employee an amount that equals or exceeds the hours work multiplied by the current Pasadena minimum wage. If the employee's commission for the pay period, together with other compensation earned are less than that amount employers must pay the difference.

Does an employer's provision of health insurance, sick leave and other benefits 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.

Is the Pasadena Minimum Wage the same for employees of non-profit agencies?

The ordinance includes a procedure to allow a non-profit employer with 26 or more employees to qualify for a one-year deferral. If approved, the one-year deferral allows a large non-profit employer to pay \$10.00 per hour beginning July 1, 2016, \$10.50 per hour beginning July 1, 2017, and \$12.00 per hour beginning July 1, 2018. (Section 5.02.025).

Does the Pasadena Minimum Wage cover employees who work in Pasadena but are not Pasadena residents?

Yes. Any person who performs at least two hours of work in a particular week for an employer within the geographic boundaries of Pasadena is entitled to be paid the Pasadena Minimum Wage. This applies to full-time and part-time workers.

Are part-time and employees on probation entitled to the minimum wage?

Yes. Part time and employees on probation are entitled to the minimum wage. Employees who are "learners" as defined in California Labor Code Section 1192 and consistent with wage orders published by the California Industrial Welfare Commission and are 14-17 years of age, shall be paid not less than 85% of the minimum wage set forth in Chapter 5.02 of the Pasadena Municipal Code, rounded to the nearest nickel, during their first 160 hours of employment. After more than 160 hours of employment, learners shall be paid the applicable minimum wage.

Does the City of Pasadena Minimum Wage apply to employees who are under the age of 18?

Yes. There is no age limit for eligibility for the minimum wage.

How can I determine if my place of work is within the Pasadena city limits?

A map with an address lookup feature may be referenced at <http://pasgis.maps.arcgis.com/apps/InformationLookup/index.html?appid=776e95bd9a884b50a39c7a3e484781e8> The map will indicate if your place of work is located in within the city of Pasadena.



For details on minimum wage visit
www.cityofpasadena.net/MinimumWage

Does the Pasadena Minimum Wage Ordinance protect undocumented workers?

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

What's the difference between Federal, State and Pasadena Minimum Wage laws?

The California state minimum wage does not preempt Pasadena's Minimum Wage Ordinance. Pasadena's Minimum Wage Ordinance increases the minimum wage at a faster rate than does the state minimum wage law. Employers must follow the stricter standard; that is, the one that is the most beneficial to employees. Since Pasadena's current law requires a higher minimum wage rate than the state and federal laws, all employers that have employees who perform work in Pasadena must pay Pasadena's minimum wage rate unless their employees are exempt under California law.

May an employee agree to work for less than the Pasadena Minimum Wage?

No. The Pasadena Minimum Wage is an obligation of the employer and cannot be waived by an employee.

What can I do if my employer does not pay me at least the Pasadena Minimum Wage?

A complaint can be filed with staff in the city of Pasadena's Planning and Community Development Department either in person or online, or by filing a complaint with the City's outreach, education and training partner; the National Day Laborer Organizing Network and speaking with Julia Aragon at (626) 676-8448. You may also obtain information from City staff at Jackie Robinson Community Center or Villa Parke Community Center. The City has the authority to inspect workplaces, interview witnesses, and request copies of important documents. The ordinance also provides employees the right to file a civil action in court against the employer. Please go to www.cityofpasadena.net/Planning/MinimumWageComplaintForm/ to file an on-line complaint.

What can I do if my employer retaliates against me because I question him/her about not being paid the Pasadena minimum wage?

Under the ordinance, it is unlawful for an employer to retaliate against any employee who asserts their right to receive the Pasadena minimum wage. An employee or another person may report to the Department in writing any suspected violation of the MWO, including retaliation.

DEFERRALS AND EXEMPTIONS

The Pasadena Minimum Wage Ordinance provides a one-year deferral for employers with 25 or fewer employees, and upon review and approval, a one-year delay for non-profits with 26 or more employees, "Transitional Employers," and child care providers.



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I have a small business in Pasadena, but belong to a company with several locations. Do I qualify for the smaller business one-year deferral?

Your eligibility for a one-year deferral will depend both on the relationship of your Pasadena business in connection to the large business operation. An employer with multiple locations both in Pasadena and in other parts of the country that form a single integrated enterprise are considered a single employer. In addition, the employee count (for purposes of determining 26 or more, versus 25 or fewer) is based on the number of employees fitting the Employee definition, meaning those individuals who perform at least two hours of work in a particular week within the geographic confines of the city of Pasadena.

Do non-profits also need to comply with the law?

Yes. However non-profit organizations that meet any one of the following conditions can apply for a waiver to defer the minimum wage implementation by one year. All non-profits with 25 or fewer employees will qualify for the small business deferral, and do not need to apply for a one-year deferral.

DEFERRAL CRITERIA

- The chief executive officer (or the highest paid employee) makes less than five times the hourly wage of the lowest paid employee, or
- The non-profit corporation is a Transitional Employer, or
- The non-profit corporation serves as a child care provider, or
- The non-profit corporation is funded primarily by City, county, state or federal grants or reimbursements.

What defines a transitional employer? If I believe I qualify, how can I apply for an exemption?

A Transitional Employer is a non-profit corporation that provides transitional jobs (short-term, wage-paying, subsidized employment) that combines real work, skill development, and supportive services to help participants overcome barriers to employment and transition to unsubsidized competitive employment. You can find the deferral application at www.cityofpasadena.net/planning/minimumwage.

Where can I get more information on the Pasadena Minimum Wage rate?

Additional information is posted on the City of Pasadena website at:

www.cityofpasadena.net/MinimumWage

You can also call:

Code Compliance Manager Jon Pollard
(626) 744-6831



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