

Oakland Minimum Wage and Sick Leave Requirements take Effect this Week

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Employers in Oakland, California take note: A voter-approved measure raising Oakland's minimum wage and creating sick leave requirements for workers in the City went into effect this week. If you have employees in Oakland, review your policies and practices to make sure you are in compliance!

Minimum Wage

First, effective March 2, 2015, Oakland's citywide minimum wage increased to \$12.25 per hour. The minimum wage may further increase yearly each January 1st based on increases in the cost of living. For now, the new law is applicable to all employers, including those who operate as temporary agencies. Employers who have employees who work at least two hours per week within the City must be paid the new minimum wage.

Paid Sick Leave

Most employers in California are already familiar with the new paid sick leave law which goes into effect on July 1, 2015. Employers in Oakland, however, need to pay especially close attention because compliance with the state law does not amount to compliance under Oakland's statute!

Starting March 2, 2015, Oakland employers must provide paid sick leave for their employees. Oakland's new requirements are similar to those set forth in the state mandate — for instance, both establish one hour of paid sick leave for every 30 hours worked, and both allow employers to require employees wait until 90 days of employment before using paid sick leave benefits — however, there are numerous other distinctions which warrant a review of current and proposed future policies to ensure compliance.

For example, at the outset, Oakland's law applies to employees who work just two hours per week within the City, while the statewide requirements apply to individuals who work in the state for 30 days or more. The laws also have different capping opportunities for employers. Unlike the state law, there is a separate provision for small businesses in Oakland's measure. Small businesses, defined as having ten or fewer workers, may cap earned sick leave at 40 hours. All other employers may impose a 72-hour cap.

Under the state law, employers can select to provide paid sick leave benefits on a lump-sum or accrual basis, but employers in Oakland cannot utilize the lump sum method. Rather, hours accrue at the rate of one hour of paid sick leave for every 30 hours worked. As a result, employers cannot require a “use it or lose it” policy and employees may carry over unused sick leave from year-to-year. The paid sick leave benefits must accrue in full hour increments, meaning employees may not accrue fractions of hours.

Employees may use the paid sick leave to take care of themselves or to care for children, spouses, grandparents, domestic partners, or any other person that the employee designates. Note that under the corresponding state provisions, the persons for whom paid sick leave may be used is more expansive. The one major difference between the state law and Oakland’s law is that in Oakland, unmarried employees have the option of designating a person in lieu of a spouse or domestic partner.

Given the confusion that is bound to result by virtue of the differences between the July 1, 2015 implementation of California’s paid sick leave law and the already-in-effect Oakland paid sick leave measure, it is important for Oakland employers to familiarize themselves with the new requirements and make sure human resources personnel are fully informed. Hinshaw attorneys in the Bay Area are available to assist you in reviewing existing policies, revising or developing policies that comply with the law, and implementing and enforcing those policies to ensure that employers are providing the benefits as required by the law.

For more information, contact [Peter J. Felsenfeld](#).

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