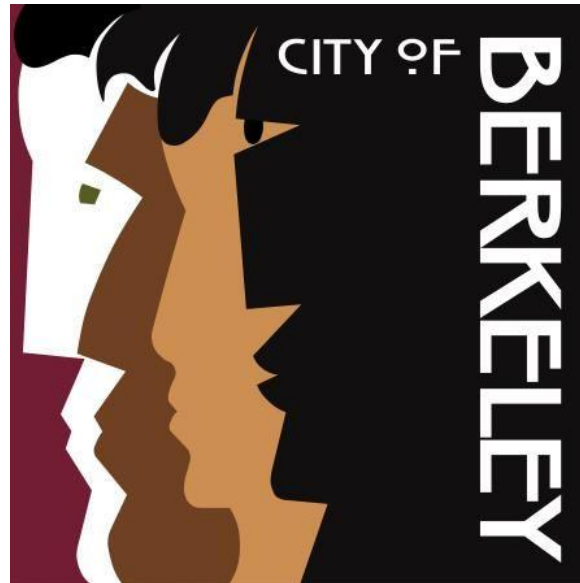


City of Berkeley's Minimum Wage Ordinance (MWO) BMC Chapter 13.99



	<u>Labor Commission Proposal</u>	<u>Staff Proposal</u>
Paid Sick Leave	Embed Paid Sick leave regulations within MWO.	Create Separate Paid Sick Leave Ordinance as S.F. has done. Observe implementation and regulation of State Law.
Service Charges	Employers must pay total revenue collected from “Service Charges” directly to employees as either higher hourly pay or other non-mandatory benefits.	Applies “Service Charge” rules to only Food Service and Hospitality industries. Limits unintended consequences for legitimate “Service Charges” that a business may assess. Ex. Furniture delivery and set up.
Minimum Wage	Increase Minimum Wage Rates as shown in the proposed schedule.	No Position.
Other Benefits	Requires employers maintain all non-mandatory current benefits for employees.	Do not require businesses to maintain non-mandatory benefits.

Questions



Proposed Commission Amendments to the MWO

- 1) **Paid Sick Leave** - Requires employers to provide paid sick leave to employees at the rate of 1 hour of Paid Sick Leave for each 30 hours worked.
- 2) **Service Charges** - Requires employers spend Service Charge revenue in ways that directly benefit the employees, beyond required pay and benefits.
- 3) **Minimum Wage Rates** - Increases Minimum Wage rates and extends increase schedule.
- 4) **Other Benefits** - Requires employers maintain all non-mandatory current benefits for employees.

Paid Sick Leave

Staff recommends that a Paid Sick Leave Ordinance be separate from the MWO.

- Clarifies its applicability to all employers.
- Follows the S.F. model of a separate Ord.
- Allows for staff to observe application and implantation of state paid sick leave laws.

Service Charges

- Commission Proposal - Requires all employers to pay total revenue collected in the form of “Service Charges” directly to employees as either higher hourly pay or other benefits that are not otherwise mandated.
- Staff Proposal – Limits applicability to only food service and hospitality industries. Preserves Commission’s intent and avoids unanticipated consequences.

Other Benefits

- Commission Proposal - Requires employers to maintain all non-mandatory benefits for employees, if and when new wage requirements go into effect.
- Staff Proposal – Allows employers to adjust non-mandatory benefits for employees to adapt to new wage requirements.

Minimum Wage

Current Minimum Wage Schedule

Date	Minimum Hourly Wage
October 1, 2014	\$10.00
October 1, 2015	\$11.00
October 1, 2016	\$12.53

***Current schedule does not adjust for CPI**

Commission Proposed Min. Wage Schedule

Date	Minimum Hourly Wage
October 1, 2014	\$10.00
October 1, 2015	\$11.00
<u>October 1, 2016</u>	<u>\$13.00</u>
<u>October 1, 2017</u>	<u>\$14.50</u>
<u>October 1, 2018</u>	<u>\$16.00</u>
<u>October 1, 2019</u>	<u>\$17.50</u>
<u>October 1, 2020</u>	<u>\$19.00</u>

***Proposed schedule would adjust annually after 2020 to increase with previous year's CPI.**

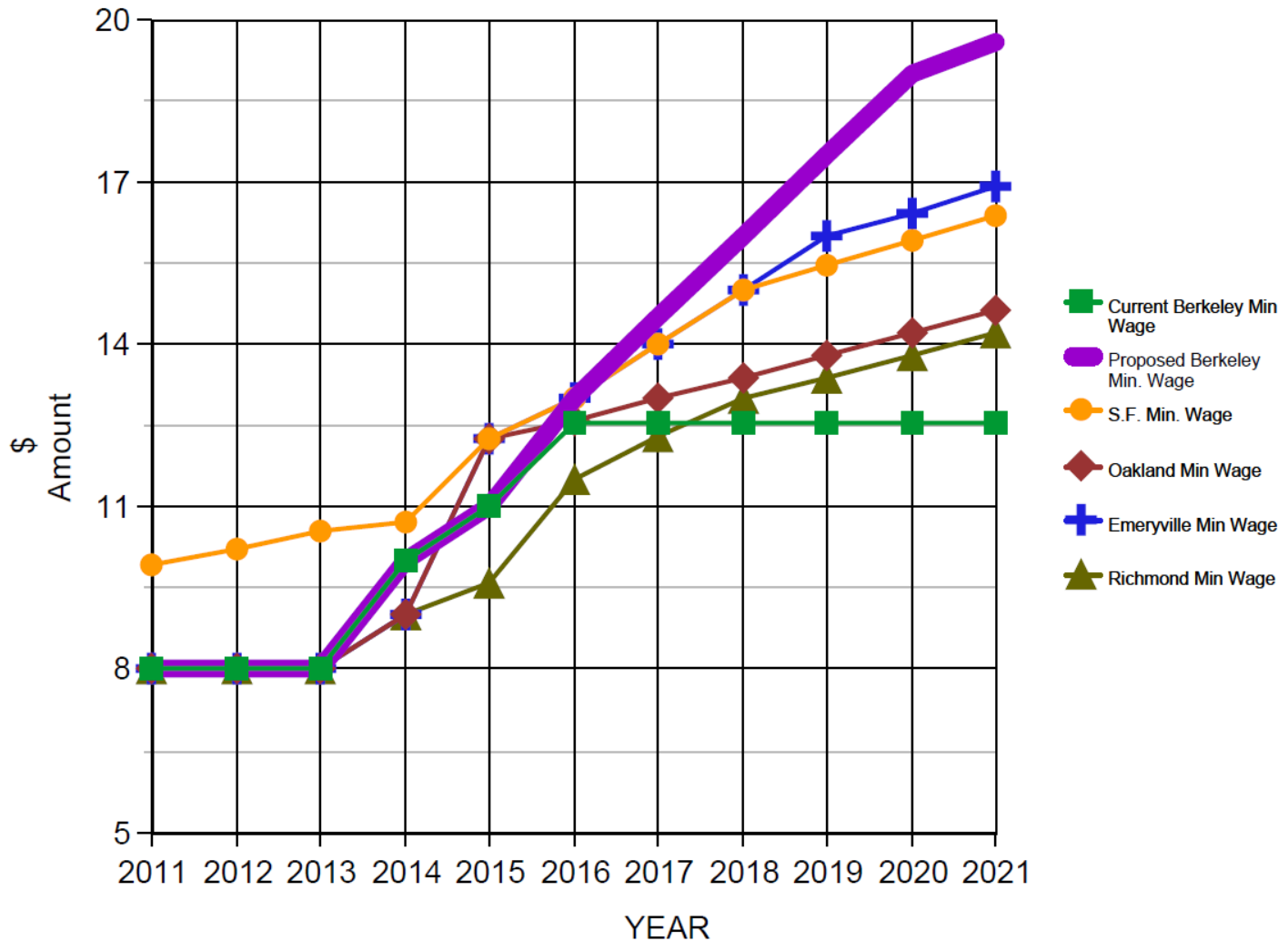
City	Jan. 1 2015	May 1 2015	Jan. 1 2016	Jan. 1 2017	Jan. 1 2018	July 1, 2019	Ordinance Provisions
Berkeley	\$10.00	\$10.00	\$11.00	\$12.53	\$12.53	\$12.53	Min Wage rates increase on Oct. 1 of each year through 2016. No increases past Oct. 1, 2016.
Emeryville Sm. Business Lg. Business	\$9.00 \$9.00	\$9.00 \$9.00	\$12.25 \$14.44	\$13.00 \$14.82	\$14.00 \$15.20	\$16.00 \$16.00	Requires paid sick leave. Requires Hospitality employees get service charges. 2-tiered program with large employers with 56+ employees paying higher rate*. +CPI after 2019
Oakland	\$9.00	\$12.25	+CPI \$12.62	+CPI \$13.00	+CPI \$13.39	+CPI \$13.79*	Requires paid sick leave. Requires Hospitality employees get service charges.

*** Assumes 3% CPI Increase Each Year.**

City	Jan. 1 2015	May 1 2015	Jan. 1 2016	Jan. 1 2017	Jan. 1 2018	July 1, 2019	Ordinance Provisions
Berkeley	\$10.00	\$11.00	\$12.53	\$12.53	\$12.53	\$12.53	Min Wage rates increase on Oct. 1 of each year through 2016. No increases past Oct. 1, 2016.
Richmond	\$9.60	\$9.60	\$11.52	\$12.30	\$13.00	+CPI \$13.39*	Starting Jan. 1, 2019, + inflation rate increase each year.
San Francisco	\$11.05	\$12.25	\$13.00	\$14.00	\$15.00	+CPI \$15.45*	Starting Jan. 1, 2019, + inflation rate increase each year. Req. paid sick leave under separate Ord.
San Jose	\$10.30	\$10.30	+ CPI \$10.61*	+ CPI \$10.93*	+ CPI \$11.26*	+CPI \$11.59*	Starting Jan. 1, 2016, + inflation rate increase each year.
Mountain View and Sunnyvale	\$10.30	\$10.30	+ CPI \$10.61*	+ CPI \$10.93*	+ CPI \$11.26*	+CPI \$11.59*	Starting Jan. 1, 2016, + inflation rate increase each year.

*** Assumes 3% CPI Increase Each Year.**

Bay Area Min. Wage Comparison



Note: Graph assumes 3% CPI increase year over year starting in 2016.

Note: Only Emeryville's Min Wage for Large Businesses represented here.

Emeryville's Min. Wage for Large and Small Business becomes the same on July 1, 2019.

State of California Paid Sick Leave Regulations - Effective July 1, 2015.

Proposed Commission Paid Sick Leave Regulations - Effective Oct. 1, 2016.

Existing State law and the proposed local regulations, would both mandate that employees accrue Paid Sick Leave at the rate of one (1) Hour for every 30 hours worked. Employees could only use Paid Sick Leave after 90 days of employment.

Accrual of sick leave may be capped at 48 hours per year (both large and small employers).

Accrual of sick leave may be capped at 40 hours per year for small employers (10 employees or less) and at 72 hours for employers with more than 10 employees.

Employer may still cap use of sick leave to 24 hours per year.

There is no cap on use of sick leave.

Allows for sick leave to be used for Family members but not a designated person.

Allows for sick leave to be used for Family members and for a designated person.