

# MINIMUM WAGE

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## California Minimum Wage Will Go to \$15.50 in 2023 . . . and Could Go Higher

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The California minimum wage is currently \$15 an hour for employers of 25 or more employees and \$14 an hour for all employers of less than 25 employees.

California law says the state minimum wage must increase to \$15.50 per hour for everyone in 2023 if inflation increases by more than 7% between the 2021 and 2022 fiscal years. Thursday, the California Department of Finance said it projects inflation for the 2022 fiscal year — which ends June 30 — will be 7.6% higher than the year before, triggering the minimum wage increase. Governor Newsom subsequently announced that all California employers will be required, regardless of size, to pay a new minimum wage of \$15.50 per hour, effective January 1, 2023.

This development also increases the minimum salary for most exempt employees in California to \$64,480 annually and \$5,373.33 per month, effective January 1, 2023. This increase is most



significant for smaller employers, who currently have a salary floor of \$58,240 annually.

Finally, in other minimum wage developments, earlier this week supporters of California's ballot initiative to raise California's minimum wage to \$18 per hour announced having submitted more than 1 million signatures — way beyond the 623,000 required to land it on the November ballot. If this ballot measure passes, and many expect that it will, the minimum wage in the Golden State would go to \$16 per hour on January 1, 2023, and move up by \$1 an hour for all hourly employees annually, starting January 1, 2023, until reaching \$18 an hour on January 1, 2028.

Please contact your favorite [CDF attorney](#) if you have any questions about local or state minimum wage regulations in California.