Proskauer

California Local Minimum Wages Rise Again—By Up to 3.7%

California Employment Law Update on **July 28, 2026**

It's that time of year again – when California's cities and counties ratchet up the minimum wage! Effective July 1, 2026, several jurisdictions increased their local minimum wage rates by approximately 1.6% to as much as 3.7%. Each of the new local rates exceeds California's current statewide minimum wage of $16.90 per hour.

New Local Minimum Wage Rates

The following Southern California jurisdictions implemented increases:

- **City of Los Angeles:** $18.42 per hour
- **Unincorporated Los Angeles County:** $18.47 per hour
- **Pasadena:** $18.57 per hour
- **Santa Monica:** $18.47 per hour
- **Malibu:** $17.91 per hour

Several Bay Area jurisdictions also increased their minimum wage rates:

- **Emeryville:** $20.34 per hour
- **Berkeley:** $19.61 per hour
- **San Francisco:** $19.61 per hour
- **Milpitas:** $18.50 per hour
- **Fremont:** $18.05 per hour
- **Alameda:** $17.76 per hour

Why the Percentage Increases Differ

Although each of these increases reflects an annual inflation adjustment required by the applicable local ordinance, there is no single statewide formula governing local minimum wages. Jurisdictions use different regional consumer price indexes, measurement periods, adjustment caps, and rounding conventions. As a result, even neighboring cities may implement different percentage increases in the same year.

Coverage requirements differ by jurisdiction. Many local ordinances apply when an employee performs a specified minimum amount of work within the jurisdiction, even when the employer is headquartered elsewhere. Employers should therefore consider where employees actually perform their work, including employees who travel between worksites or work remotely.

Industry- and Sector-Specific Minimum Wages May Be Higher

Employers should also remember that California maintains industry-specific minimum wage requirements that may exceed the statewide or applicable local rate. For example, covered fast-food restaurant employees generally must be paid at least $20.00 per hour. Depending on the type of covered facility, certain health care employees are now entitled to minimum wages of up to $25.00 per hour.

Separate local sector-specific rates may also apply. For example, the minimum wage for covered hotel workers in both Los Angeles and Santa Monica increased to $25.00 per hour on July 1, 2026.

Where more than one minimum wage requirement applies, employers generally must pay the highest applicable rate. Thus, a covered fast-food employee working in Emeryville would be entitled to the city’s $20.34 minimum wage rather than the lower statewide fast-food rate.

Employers Should Review Their Pay Practices

Employers with employees working in affected jurisdictions should:

- confirm that payroll systems reflect the new rates;
- distribute or display any updated workplace notices;
- review the geographic coverage and recordkeeping requirements; and
- ensure that the correct rate is identified and paid on employee wage statements.

Employers should also determine whether wage increases affect other compensation practices tied to an employee’s regular or hourly rate.

These local increases do not, however, change California’s minimum salary requirement for the executive, administrative, and professional exemptions. That threshold is tied to the statewide minimum wage and remains $70,304 for 2026.

Related Professionals

- **Anthony J. Oncidi**
  Partner
- **Laura M. Fant**
  Special Employment Law Counsel
- **Cooper Halpern**
  Associate