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Here We Go Again: California's Minimum Wage Is Headed Up to $17.40

California Employment Law Update on **09/14/2026**

It's that time of year again—the temperatures are high, summer vacations are winding down, and Sacramento has taken the minimum wage up another notch.

Beginning January 1, 2027, California's statewide minimum wage will increase from $16.90 to **$17.40** per hour. Importantly, the 50-cent bump has implications even for employers with no minimum wage workers because it also raises the salary threshold required for exempt employees. Starting January 1, 2027, that threshold will rise to **$72,384**.

Employers should also remember that $17.40 is merely the statewide floor. As we have previously reported here and here, numerous cities and counties in the Golden State impose their own, higher minimum wage rates, and employers must comply with the higher applicable rate. (Despite a recent study from the National Bureau of Economic Research finding that California's minimum-wage increase for fast food workers resulted in increased unemployment.) So, while January 1 may still seem comfortably far away, California employers should get ahead of the game by reviewing payroll practices now.

Related Professionals

- **Anthony J. Oncidi**
  Partner
- **Jonathan P. Slowik**
  Partner
- **Dixie M. Morrison**
  Associate