

Los Angeles Passes Minimum Wage Hike To \$15 Per Hour

June 11, 2015 | [Fair Labor Standards Act, Currents - Employment Law](#)

Yesterday, the Los Angeles City Council approved a minimum wage hike to \$15 an hour, becoming the latest large city to increase pay. In a 12-1 vote, the city council passed the second reading of a proposal that would make Los Angeles the largest city in the U.S. to adopt the higher minimum wage. Los Angeles follows in the footsteps of such cities as San Francisco and Seattle. The hourly rate would more than double the current federal rate of \$7.25 per hour. The proposal, which has earned the support of Los Angeles Mayor Eric Garcetti, would require businesses to reach the new wage standard by 2020 and includes automatic upward adjustments afterwards. Indeed, the ordinance, which would take effect in 2016, would require businesses to incrementally increase their minimum wage, hitting \$10.50 by July 1, 2016, and increasing to \$12, \$13.25, \$14.25 and ultimately \$15 on each following July 1. For businesses with fewer than 25 employees, the increases would follow the same pattern but would start in 2017 as opposed to 2016. The Los Angeles bill will become law pending Mayor Garcetti's signature. The measure—which got preliminary approval in May 2015—faced uncertainty after labor union leaders encouraged last-second changes that would make exceptions for companies with unionized workers. The push for union leeway to negotiate a lower wage was since abandoned. Opponents of the ordinance say a higher minimum wage will hurt companies, forcing some to lay off employees or move out of Los Angeles. Time will tell.

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