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California's Latest Minimum Wage Increase to Take Effect January 1, 2024



Effective January 1, 2024, California's minimum wage will increase to \$16.00 per hour for all employers, regardless of size. Under California's Labor Code, by August 1 of each year, the director of finance will determine if the minimum wage must be adjusted for inflation and, if so, calculate the increase in minimum wage by the lesser of 3.5 percent.

As a result, on July 31, 2023, California Department of Finance Director Joe Stephenshaw [officially certified](#) that "minimum wage shall increase by 3.5 percent to \$16.00 per hour" for all employers (from \$15.50 per hour).

The increase in the minimum wage rate also impacts the minimum salary amounts for full-time exempt employees. Beginning January 1, 2024, the minimum salary for a full-time exempt employee will be \$66,560 per year.

Even though California's minimum wage increased across the board, California employers should be mindful of the various cities and counties that have adopted their own, higher minimum wage rates. Employers with questions about the applicable rates should contact experienced counsel with questions.

Authors

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