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N E W S L E T T E R

From the Executive Director...

MINIMUM WAGE

The Department of Labor Standards Enforcement has notified me of the following:

For any California employer who employs 26 or more employees, the minimum wage shall be as follows:

From January 1, 2017, to December 31, 2017, inclusive,—ten dollars and fifty cents (\$10.50) per hour.

From January 1, 2018, to December 31, 2018, inclusive,—eleven dollars (\$11) per hour.

From January 1, 2019, to December 31, 2019, inclusive,—twelve dollars (\$12) per hour.

From January 1, 2020, to December 31, 2020, inclusive,—thirteen dollars (\$13) per hour.

From January 1, 2021, to December 31, 2021, inclusive,—fourteen dollars (\$14) per hour.

From January 1, 2022, and until adjusted by subdivision (c)—fifteen dollars (\$15) per hour.

For any employer who employs 25 or fewer employees, the minimum wage shall be as follows:

From January 1, 2018, to December 31, 2018, inclusive,—ten dollars and fifty cents (\$10.50) per hour.

From January 1, 2019, to December 31, 2019, inclusive,—eleven dollars (\$11) per hour.

From January 1, 2020, to December 31, 2020, inclusive,—twelve dollars (\$12) per hour.

From January 1, 2021, to December 31, 2021, inclusive,—thirteen dollars (\$13) per hour.

From January 1, 2022, to December 31, 2022, inclusive,—fourteen dollars (\$14) per hour.

From January 1, 2023, and until adjusted by subdivision (c)—fifteen dollars (\$15) per hour.

Note: The references to subdivision are too long and complex to include in this newsletter. Send me an email if you would like me to send you the full text of the information DLSE sent me. Remember the above are the State minimum wage schedules. Los Angeles City and County minimum wages differ from the State minimums. The law requires that you always obey the law that is most favorable to employees.

EMPLOYEE IRA'S

Nearly 7 million California workers will be automatically enrolled in a retirement savings account under legislation Gov. Jerry Brown signed in an attempt to address growing fears that many workers will be financially unprepared to retire.

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California's plan, SB1234 by Senate President Pro Tem Kevin de Leon, D-Los Angeles, requires employers that don't offer retirement accounts to automatically enroll their employees in the state-run plan. Unless workers opt out, a percentage of their earnings would be deducted from each paycheck and held in lower-risk investments. The plans would stick with workers as they move from job to job, allowing them to accumulate larger balances in a single account.

Like a standard individual retirement account or 401(k), the investments would be subject to the ups and downs of financial markets, including the potential for losses.

In my opinion you need to get advice from your Payroll Service and/or CPA right away.

WORKERS' COMPENSATION

I have also been informed that beginning in January 2017, it will be more difficult and complicated to exclude executives from coverage in your workers' comp policy. The executive needs to be a minimum 15% owner to qualify for exemption. Check with your broker or insurer for more information.

My wishes to all for a Happy Thanksgiving holiday..

So long for now...
Joe Rodriguez