

# **2024 Mid-Year Updates**

# Minimum Wage Increases Effective July 1, 2024

This list includes the major localities with minimum wage rates that went into effect on July 1. It is not exhaustive of all localities nationwide that have a minimum wage rate that may differ from the federal or state rate.

# California

Alameda \$17.00 Posters links: (English) (Arabic) (Chinese) (Korean) (Spanish) (Tagalog) (Vietnamese) Berkley \$18.67 Poster links: (English) (Chinese) (Spanish) Emeryville \$19.36 Posters links: (English) (Chinese) (Farsi) (Spanish) (Amharic) (Thai) Fremont \$17.30 Poster links: (English) (Simplified Chinese) (Hindi) (Spanish) (Tagalong) (Vietnamese) Los Angeles City \$17.28; \$20.32 for hotel workers in hotels w/60 or more rooms. Poster Links: (English) (Spanish) (Chinese-Simplified) (Chinese-Traditional) (Hindi) (Vietnamese) (Tagalong) (Korean) (Japanese) (Thai) (Armenian) (Russian) (Farsi) Los Angeles County (unincorporated areas) \$17.27 Poster links: (English) (Spanish) (Vietnamese) (Chinese) (Korean) (Tagalog) (Armenian) Malibu \$17.27 Poster link: (Poster) **Milpitas** \$17.70 Posters link: (English) (Chinese) (Korean) (Spanish) (Tagalog) (Vietnamese) Pasadena \$17.50 Poster Link: (Employment Poster) (English Notice) (Spanish Notice) San Francisco \$18.67 Poster link: (Posters) Santa Monica \$17.27 Poster Links: (English) (Spanish) Illinois

**Chicago** \$16.20 and \$11.02 for tipped workers for large and small employers (no longer tiered by employer size). Poster Links: <u>(English) (Spanish) (Polish) (Mandarin) (Tagalog) (Korean)</u>

**Cook County** \$14.05. Notice to Employees: (English) (Spanish) (Polish) (Chinese) (Arabic) (Filipino) (Urdu)

### Maryland

**Montgomery County** \$15.50 (11-50 employees); \$17.15 (51+ employees); no change for employers with 10 or fewer employees. (Poster)

### Minnesota

**Minneapolis** \$15.57 for employers with 100 or fewer employees; no change for more than 100 employees (English) (Spanish) (Somali) (Vietnamese) (Lao) (Hmong) (Chinese) (Oromo) (Amharic) (Karen)

Saint Paul \$12.25 (Micro 1-5 employees) \$14.00 (Small 6-100 employees) \$15.57 (Large 101-10,000 employees) Poster links: <u>(English) (Hmong) (Spanish) (Karen) (Somali)</u>

### Nevada

\$12.00. The two-tier system is eliminated. Poster links: <u>(English)</u> (Spanish)

## Oregon

Standard \$14.70; Portland Metro \$15.95; Non-Urban Counties \$13.70 Poster links: <u>(English) (Arabic) (Chinese Simplified)</u> (<u>Chinese Traditional</u>) (<u>Korean</u>) (<u>Russian</u>) (<u>Spanish</u>) (<u>Vietnamese</u>)

## Washington D.C.

\$17.50; \$10.00 tipped workers. Poster Links: <u>(English)</u> <u>(Spanish)</u> <u>(Chinese)</u> <u>(Amharic)</u>

# Washington

**Renton** \$18.29 (Mid-Sized Employers 15-500 employees or fewer than 15 employees with more than \$2 million in annual gross revenue) \$20.29 (Large employers more than 500 employees).

**Tukwila** \$19.29 (Mid-Sized Employers 15-500 employees or fewer than 15 employees with more than \$2 million in annual gross revenue). Poster Links: <u>(English) (Somali) (Spanish) (Vietnamese)</u>

# **Employment Law Updates**

# FEDERAL

# **U.S. Department of Labor Wage and Hour Division**

#### **Salary Threshold Increase**

The United States Department of Labor announced a Final Rule that raised the minimum salary threshold required to classify employees as exempt from minimum wage and overtime pay. The minimum salary threshold began increasing in intervals on July 1, 2024, as follows:

- On July 1, 2024, the salary threshold increased to \$844/week (\$132,964/year for highly compensated employees).
- On January 1, 2025, the salary threshold shall be \$1,128/week (\$151,164/year for highly compensated employees).
- Then on July 1, 2027, and every 3 years thereafter.

A link to DOL's Final Rule web page: <u>Defining and Delimiting the Exemptions for Executive. Administrative.</u> <u>Professional. Outside Sales. and Computer Employees.</u>

\*\*\* There is pending litigation to enjoin the minimum salary increases. The fate of the January 1 increase is to be determined. For now, employers need to ensure their exempt employees are meeting the July 1 minimum salary threshold.

#### Independent Contractor Rule under the Fair Labor Standards Act

On **March 11, 2024**, the U.S. Department of Labor's new Final Rule on independent contractor classification under the Fair Labor Standards Act became effective and replaced the 2021 rule. The newest rule applies an economic reality six factor test to analyze whether a worker is an independent contractor or a bona fide employee. The six factors are:

- (1) opportunity for profit or loss depending on managerial skill;
- (2) investments by the worker and the potential employer;
- (3) degree of permanence of the work relationship;
- (4) nature and degree of control;
- (5) extent to which the work performed is an integral part of the employer's business; and
- (6) skill and initiative.

No one factor or set of factors outweighs the others; rather the totality of the circumstances is reviewed to determine the worker's classification. Nonetheless, the new independent contractor rule does not preempt any other independent contractor classification laws, so employers need to ensure they apply the standard that provides workers with the greatest protection. For example, employers in California will still be required to apply the state's "ABC" test instead of the new FLSA six-factor test since the "ABC" test provides greater protection to workers.

A link to DOL's 2024 Final Rule FAQ web page: Final Rule: Independent Contactor FAQs.

\*\*\* Although the Final Rule is currently in effect, there is pending litigation in opposition to the new rule. We will continue to monitor the situation for further developments.

#### U.S. Equal Employment Opportunity Commission (EEOC)

EEOC Issued their Final Rule effective **June 18, 2024**, that provides additional guidance into how the EEOC will enforce the Pregnant Workers Fairness Act (PWFA). The PWFA requires a covered entity to make reasonable accommodations to a qualified employee's or applicant's known limitations related to, affected by, or arising out of pregnancy, childbirth, or related medical conditions, absent undue hardship on the operation of the business of the covered entity. When accommodating applicants or employees, employers need to ensure they follow any applicable federal, state, or local law that provides more protection for the worker.

A link to the EEOC web page : What You Should Know About the Pregnant Workers Fairness Act.

# Federal Trade Commission (FTC)

#### **Issues Ban on Noncompete Clauses**

The Federal Trade Commission (FTC) published their Final Non-Compete Clause Rule in the Federal Register on May 7, 2024. The rule prohibits employers from entering into or enforcing existing non-compete agreements with workers, with an exception for some existing non-compete agreements for senior executives. The rule is set to become effective on **September 4, 2024**, unless stalled by court intervention.

Prior to the effective date, employers are required to provide notice to employees subject to a prohibited noncompete. The FTC has provided a <u>model notice</u> that employers may use. The notice may be communicated to impacted employees by hand delivery, mail at the workers last known street address, email, or text message.

A link to the Federal Trade Commission web page: Noncompete Rule.

\*\*\* There is pending litigation to challenge the Final Rule that we are closely monitoring.

# STATE

### Alabama

#### No Eligibility to Work Form Required for Minors

Under **Act No. 2024** – **352**, employers are no longer required to obtain an Eligibility to Work Form for minor employees. The Governor signed the bill on May 15, 2024, and it became effective **June 1, 2024**. The Alabama Department of Labor and applicable school administrators will work together to revoke or suspend employment of any minor whose school attendance or grades become unsatisfactory.

### California

#### **Delay on Healthcare Minimum Wage Increase**

Under <u>SB 525</u>, signed by Governor Newsome in 2023, the state's minimum wage for healthcare workers was originally scheduled to increase on June 1, 2024. The scheduled increase was then delayed to July 1, 2024, and now it has been further delayed until at least **October 15, 2024**.

SB 525 will incrementally increase the minimum wage for healthcare workers to up to \$25 per hour. The rate at which the increases will occur will vary depending upon the size and nature of the employer. SB 525 applies to almost every type of medical employer, and the definition of covered healthcare positions includes virtually any employee who works in the health care setting.

#### Fast Food Worker Minimum Wage Increase

Friendly reminder that as of **April 1, 2024**, the minimum wage for many fast-food employees was raised to \$20 per hour and to an annual salary of at least \$83,200 for exempt employees. The increase applied to employees who work for a fast food restaurant that is part of a national fast food chain, which is defined as a group of limited-service restaurants that meet the following criteria: 1) It has more than 60 establishments across the country; 2) It shares a common brand, or has standardized options for appearance, marketing, packaging, and offerings; and 3) It's primarily engaged in providing food and beverages for immediate consumption that customers select and pay for upfront with minimal or no table service.

Covered employers are required to post in a conspicuous place a supplemental notice to the minimum wage order. Additionally, the newly created Fast Food Council will have the authority to raise this minimum wage annually beginning January 1, 2025.

A link to the State of California Department of Industrial Relations web page: <u>Fast Food Minimum Wage Frequently</u> <u>Asked Questions</u>

#### Workplace Violence Prevention Plan (WVPP)

Non-healthcare employers are required to implement their Workplace Violence Prevention Plan (WVPP) by **July 1, 2024**. To be compliant, employers must develop, implement, and train employees on their specific plans, but also adhere to the records retention requirements.

A link to a packet DHR previously published to aid in compliance: <u>California Workplace Violence Prevention Packet</u>.

### Colorado

#### Job Application Fairness Act (JAFA)

Beginning **July 1, 2024**, under the <u>Job Application Fairness Act</u> (JAFA) employers are prohibited from requesting or requiring Colorado job applicants to provide information related to the job applicant's age, date of birth, dates of school attendance, or date of graduation. This will not be applicable to applicants for jobs that will be performed entirely outside of Colorado.

For positions that have age requirements imposed by law, employers may verify age compliance without seeking information related to the applicant's age, date of birth, dates of school attendance, or graduation date. For example, an employer may present the following question, "This job involves serving liquor and requires that you be at least 21 years of age. Do you meet the age requirement?"

### **District of Columbia**

#### **Pay Transparency**

As of **June 30, 2024**, under the <u>Wage Transparency Omnibus Amendment Act of 2023</u>, D.C. employers will be required to:

- Provide the minimum and maximum projected salary or hourly pay in job postings and job descriptions;
- Disclose to prospective employees prior to their first interview, the healthcare benefits available to employees;
- Refrain from screening prospective employees based upon their wage history and from seeking the wage history of a prospective employee; and
- Post a <u>notice</u> in a conspicuous place in the workplace notifying employees of their rights under the law.

### Florida

#### **Child Labor Law Amended**

Governor Ron DeSantis signed <u>HB49</u> to amend Florida's child labor laws. Effective **July 1, 2024**:

- Employees aged sixteen and seventeen may work more than eight hours on Sundays and holidays.
- Parents and superintendents will be permitted to waive the thirty-hour per week limitation when school is

in session for sixteen- and seventeen-year-olds.

- Employees aged fifteen to seventeen will be permitted to work more than six consecutive days.
- Employees aged sixteen and seventeen who are scheduled to work eight hours in one day will be entitled to a meal break of at least thirty minutes for every four hours of work.

To read more about these changes follow the State's: <u>Summary Analysis</u>.

# Illinois

#### Chicago

#### **Chicago Fair Workweek Threshold Increase**

Beginning on **July 1, 2024**, employees working for covered employers are covered by the Fair Workweek Ordinance if they make no more than a yearly salary of \$61,149.35 or \$31.85 per hour. With the pay threshold expanded, employers should review their scheduling policies to ensure continued compliance with any newly covered employees. Additionally, employers are required to provide the updated <u>Fair Workweek Notice</u> to covered employees with their first paycheck on or after July 1, 2024, and annually thereafter.

#### **Chicago Paid Leave and Paid Sick and Safe Leave**

Previously delayed by the Chicago City Council, the Paid Leave and Paid Sick and Safe Leave Ordinance took effect on **July 1, 2024**, which replaced the Chicago Paid Sick Leave Ordinance that was previously in effect.

Under the city's new Paid Leave and Paid Sick and Safe Leave Ordinance, which applies to all Chicago employers, employees will be entitled to two separate types of leave: up to 40 hours of Paid Leave (PL) that can be used for any reason and up to 40 hours of Paid Sick and Safe Leave (PSL) that can be used for the reasons allowed under the previous Ordinance.

Employees need to be given a notice about PL and PSL with their first applicable paycheck—in July 2024, or after hire, whichever comes first—and annually thereafter in July. The notice also needs to be posted in the workplace. The notice, made by the city, is available in six languages <u>here</u>.

Employers also need to give employees written notification of their available PL and PSL, and their accrual rate, each time they're paid. Employers can meet this obligation in several ways, including by putting the information on a paystub or having it available online where employees can easily access it.

A link to the Chicago Business Affairs and Consumer Protection web page: Paid Leave and Paid Sick Leave.

### Louisiana

#### Louisiana Updates to Meal Break Requirements for Minor Employees

As of **August 1, 2024**, <u>HB156</u> will modify child labor laws so that required meal breaks will *only* apply to minors who are fifteen years of age or younger. Therefore, only minor employees under sixteen years of age will be entitled to a thirty-minute meal break for every five hours worked. Louisiana updated the <u>Minor Labor Law Placard</u> to reflect the upcoming changes.

### Minnesota

#### Earned Sick and Safe Time Law Amended

Effective **May 25, 2024**, the Earned Sick and Safe Time (ESST) law was updated. The changes to the law include clarifying which employees qualify for ESST, the rate at which ESST must be paid, and ESST application to other paid time off.

A link to the Minnesota Department of Labor and Industry web page with more information: <u>New Earned Sick and</u> <u>Safe Time Law Changes</u>.

#### **Increased Penalties for Worker Misclassification**

Effective **July 1, 2024**, employers who misclassify workers as independent contractors could be liable for

penalties up to \$10,000 for each violation. Employers could be held liable for failing to classify, disclose, or for entering into an agreement with workers that misclassifies them as an independent contractor. Employers should continue to utilize Minnesota's five-factor test to determine classification of general industry workers, which includes:

- (1) the right to control the means and manner of performance;
- (2) the mode of payment;
- (3) the furnishing of tools and materials;
- (4) control over the premises where the work was done; and
- (5) the right of discharge.

\*\*\* A new classification test will become effective in March 2025 for the construction industry.

Minnesota Department of Labor and Industry's web page for <u>Worker Misclassification</u>; and the Minnesota Department of Revenue' <u>Withholding Fact Sheet 8</u> addressing Independent Contractor or Employee.

#### **Pay Stub Record Retention**

Beginning **August 1, 2024**, employers must retain earnings statements (pay stubs) for nonexempt employees for at least three years. While federal law already requires that pay records of nonexempt employees be kept for three years, the state law is more specific in requiring that earnings statements (pay stubs) be retained.

#### **Pregnancy and Parenting Leave Law Changes**

Beginning **August 1, 2024**, employers will be required to maintain coverage and continue paying the employer share of group insurance premiums during leave taken under the Pregnancy and Parenting Leave Law. Employers will also not be permitted to reduce an employee's leave entitlement under the Pregnancy and Parental Leave Law when an employee takes time away for prenatal care medical appointments.

### **New Jersey**

#### New Jersey Secure Choice Retirement Savings Program

Beginning **June 30, 2024**, the New Jersey Secure Choice Retirement Savings Program (RetireReady NJ) will begin phasing in its implementation periods for covered employers. RetireReady NJ was enacted on March 28, 2019. The program implementation was originally scheduled to launch in March 2021, but was delayed due to the COVID-19 pandemic. The state will notify employers with instructions and deadlines to register for or certify exemption from the program. The implementation deadlines are:

- September 15, 2024, for covered employers with 40 or more employees; and
- November 15, 2024, for covered employers with 25 to 39 employees.

### **New York**

#### **Freelance Workers Rights**

Under the Freelance Isn't Free Act, as of **May 20, 2024**, freelance workers are offered employment-based protections. Under the new law, a written contract is required for all work performed worth \$800 or more over a 120-day period. Payments for the work must be made on or before the date outlined in the contract, or within 30 days of completed work if the contract does not include a payment date.

#### **Lactation Accommodation**

As of **June 19, 2024**, employers must provide 30 minutes of paid break time as reasonably needed by employees to express breast milk for their nursing children. This requirement lasts up to three years following the birth of a child. Employees are required to use the revised <u>New York State Department of Labor's Policy on the Rights of Employees to Express Breast Milk in the Workplace</u>, when applicable.

### **New York City**

#### **New Workplace Posting and Notice Requirements**

Beginning **July 1, 2024**, all New York City employers are required to post the multilingual <u>"Your Rights at Work"</u> <u>poster</u> where employees can easily see it and give a copy to each employee. Employers must also post it to their intranet or mobile app if they offer one for employees to use.

### Oregon

#### **Oregon Family Leave Act Updates**

The Oregon Family Leave Act (OFLA) has been amended and some of the significant changes that took effect on **July 1, 2024**, include:

- Employers are required to use a forward-looking leave year to determine the amount of OFLA leave an employee is entitled to take within a given one-year period. Employers that did not previously use a forward-looking leave year calculation need to immediately transition to one effective July 1.
- OFLA's covered reasons for leave have been significantly reduced to limit overlap with Paid Leave Oregon (PLO). OFLA *no longer covers* the following reasons for leave:
  - To care for an infant or newly adopted or foster child
  - To care for a family member with a serious health condition (except for caring for a sick or injured child at home)
  - To recover from, or seek treatment for, the employee's own serious health condition
- Employees leave entitlement under OFLA are limited to the following:
  - Up to 12 weeks of leave per year to either care for a child at home because they are sick or injured (for both serious and nonserious health conditions) or because their school or care provider is closed due to a public health emergency.
  - Up to *four total* weeks of leave per year for bereavement (employees are still allowed to take two weeks of leave for each death, but the total amount of leave has been reduced from 12 weeks to four weeks).
  - Up to 12 weeks of leave for any illness, injury, or condition related to their own pregnancy or childbirth that prevents them from performing any available job duties offered by the employer. (As before, this time is available in addition to an employee's use of OFLA for other purposes.)
  - Up to 14 days per deployment under the Oregon Military Family Leave Act.
- Employers are required to take certain steps with respect to rescinding approvals for OFLA leave that were previously covered under the law but are no longer covered as of July 1,2024. Employers can use the <u>model notice</u> provided by the Oregon Employment Department for these communications.
- OFLA and PLO will no longer run concurrently. This means that any leave taken under one law will be in addition to any leave taken under the other.

A link to the Oregon Bureau of Labor and Industries web page: Oregon Family Leave Act.

#### Paid Leave Oregon (PLO) and Use of Accrued Paid Leave

Beginning **July 1, 2024**, employees on PLO are entitled to use an accrued paid leave in conjunction with PLO benefits, up to the amount that would result in full wage replacement. Employers will also have the *option* of allowing the use of accrued paid leave in an amount that would result in the employee getting more than full wage replacement. Additionally, if multiple types of accrued leave are available to an employee, the employer can determine the order in which the different types of accrued leave are used.

A link to the State of Oregon Employment Department web page: <u>Updates to Paid Leave Oregon created by Senate</u> <u>Bill 1515.</u>