

THE ZAPPIA LAW FIRM

A PROFESSIONAL CORPORATION

— Labor & Employment Law —

SPECIAL UPDATE

PUBLIC AND PRIVATE EMPLOYERS

April 12, 2016

Governor Brown Signs Law Increasing Pay During Family Leave

Exactly one week after California committed to raise its minimum wage to \$15 per hour, Governor Jerry Brown signed legislation that will raise compensation for residents who take paid family leave.

Yesterday, Governor Brown signed a bill that will allow people who take time off to care for a new child or sick family member to earn 60 percent or 70 percent of their paycheck, depending on their income. Currently, Californians receive 55 percent of prior wages under the state's Paid Family Leave program. This change will take effect in January 2018.

Governor Brown stated, "Families should be able to afford time off to take care of a new child or a member of their family who becomes ill. This expansion makes sense for employers and employees."

Under the bill, AB 908, workers who earn the lowest wages in the state will receive 70 percent of their normal pay when out on family leave. Those with higher wages will get 60 percent.

Last Monday, Governor Brown signed a bill which will raise California's minimum wage to \$15 per hour statewide by 2022.

The state's minimum wage will rise to \$10.50 per hour in January for businesses with 26 or more employees and then to \$11 per hour the following year. It will increase an additional dollar each year until reaching \$15 per hour in 2022.

Small businesses — with 25 or fewer employees — will have an additional year to ramp up for the pay boost, with the \$15 goal targeted for 2023.