



NEWS RELEASE

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California's Minimum Wage to Increase to \$16 per hour in January 2024

Oakland—California's minimum wage will increase to \$16 per hour for all employers on January 1, 2024. Some cities and counties in California have a local minimum wage that is higher than the state rate.

State law requires that most California workers be paid the minimum wage. Workers paid less than the minimum wage are urged to contact the [Labor Commissioner's Office](#) in their area to file a [wage claim](#).

The change in the minimum wage also affects the minimum salary an employee must earn to meet one part of the overtime exemption test. Exempt employees are not subject to the payment of overtime for hours worked. An employee must earn no less than two times the state's minimum wage for full-time work to meet this initial requirement of the exemption test. As of January 1, 2024, employees in California must earn an annual salary of no less than \$66,560 to meet this threshold requirement.

In 2023, the [minimum wage](#) is \$15.50 for all employees regardless of employer size.

One of the protections of the minimum wage law is an annual review of the wage rate using the U.S. Consumer Price Index for Urban Wage Earners and Clerical Workers (U.S. CPI-W). The Department of Finance calculated that the U.S. CPI-W increased by 6.16 percent for the period from July 1, 2022, to June 30,

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2023, compared to the prior 12-month period. The minimum wage increases each year by the lesser of 3.5 percent, and the rate of change in the averages of the two most recent U.S. CPI-W, unless those averages are negative. If the averages are negative, there is no change in the minimum wage for the following year. On July 31, 2023, Governor Newsom certified the minimum wage increase for all employers for 2024.

Employers must post the Minimum Wage Order and the Wage Order applicable to their workplace at a worksite area accessible to employees. The wage orders can be downloaded and printed from the [workplace postings page](#) on the DIR website.

Employers must ensure that the wage rate is displayed on the employee's pay stub, and that employees are paid at least the minimum wage even when employees are paid at piece rate.

Employees with work-related questions or complaints may visit [WageTheftIsACrime.com](#) or call the Labor Commissioner's Office Call Center in English or Spanish at 833 LCO-INFO (833 526-4636).

Contact: Communications@dir.ca.gov, (510) 286-1161

The [California Department of Industrial Relations](#), established in 1927, protects and improves the health, safety, and economic well-being of over 18 million wage earners, and helps their employers comply with state labor laws. DIR is housed within the [Labor & Workforce Development Agency](#)

