

Law Changes for California in 2021

There is no doubt that California is one of the more expensive states to live in all of America. While some parts of California are more expensive than others, the minimum wage has not always reflected that. In fact, in most big cities, including Los Angeles, San Francisco, San Jose, San Diego, and many more, earning minimum wage means that you will barely be making enough to live paycheck to paycheck.

However, the good news for anyone in that position is that in 2021 the minimum wage has been increased statewide. That said, has it improved enough to truly help those on minimum wage make a living wage, let alone live comfortably? Meanwhile, a new pregnancy and medical leave law also just went into effect, helping ease the burden for thousands of people across the Golden State.

While these two new laws changes are not the only ones this year, they are two of the most likely to impact your everyday life. Here is everything you need to know about the new law changes for California in 2021.

Minimum Wage Increase

In California, as of January 2021, the minimum wage will now be \$13.00 an hour for businesses where there are 25 or fewer employees. If a given company employs 26 or more people, then the minimum wage is one dollar higher, making it \$14.00 an hour.

When you compare this to the federal minimum wage, which is only \$7.25 per hour, California's minimum wage is clearly much better. That said, the cost of living in California is much higher than most states, meaning more money simply isn't going as far as it would in most other states.

While the above minimum wage rates are for those who work in an hourly job setting, the minimum wage laws for salaried employees have changed as well. As of January 1st, 2021, a salaried employee's minimum annual earnings is \$58,240. If you are wondering how this compares to the state-mandated hourly minimum wage, at 52 weeks of 40 hours per week, it works out to about \$28 an hour. However, as many salaried employees know, 40 hours a week is not the max you could work.

It's worth noting the minimum annual salary for businesses with 25 or fewer employees is \$54,080 a year.

What Do These New Minimum Wage Laws Mean for Businesses?

There is a lot of support for increasing the minimum wage across the country, and this is especially true in the costly state of California. That said, we should also consider how this

impacts smaller businesses that are barely getting by as it is. Now factor in the mandatory shutdowns that have been placed by California's governor; you now have companies that are forced to shut down or limit how they do business and still need to pay more to their workers.

There is no doubt an increased minimum wage in California must occur to keep up to date with the rising price of living. At the same time, many businesses simply cannot keep up with the wage increases.

The minimum wage increase in California has been one of the most significant new laws that have taken effect since the start of 2021. However, that is not the only big law that has changed. In fact, another critical law went into effect on January 1st and impacts families across the state.

New Medical Leave for Pregnancy Law

2021 has not only seen an increase to California's minimum wage, but it has also changed how pregnancy and medical leave work as well. Under the new pregnancy disability law, if you're disabled by pregnancy, the birth of your child, or any condition related to the pregnancy, you may now take up to four months of leave.

Once a pregnant employee has their baby, they will have a minimum of six weeks to spend with their baby without worrying about any negative consequences from their job.

Small businesses with a few as five workers will now have to offer up to four months of unpaid but job-protected leave. This also applies to people with serious health issues.

That said, these protections only apply to employees who have been a part of the company for over a year. Not only that, but they must have worked for at least 1250 hours over that time.

If both parents happen to work at the same place, both are eligible for the four months of unpaid leave.

While your employer won't have to pay you unless your personal contract dictates, the new law does provide some extra critical quality time with your newborn baby.

Other New Laws for 2021

- All employers are now legally required to quickly notify any workers who may have been exposed when contract tracing locates a potential threat. This includes a written notification within one business day of being identified, and it must be provided in an appropriate language for each worker.
- Employees can now use their sick days at their sole discretion. Meaning any business cannot deny the use of a sick day that is owed.
- Alongside job protections for families, another law change protects the victims of crime or abuse from losing their jobs due to missed time. Anyone who needs time to recover or seek treatment is now protected.

- Businesses based in the state must have at least one person on their board of directors that is either a sexual or racial minority by the end of 2021.
- Hospitals are now legally required to have at least three months worth of PPE for their employees at all times. Meanwhile, a different law requires the state to make its own stockpile of PPE.
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