

D.C. Increases Minimum Wage in First of Several Expected 2016 Employment Law Changes

?By former Associate Jack Blum

Increase in the Minimum Wage to \$15.00 per hour by 2020

On June 21, 2016, the District of Columbia City Council unanimously approved a major increase in the city's minimum wage that will take effect in annual increments through 2020. In doing so, the District became an early adopter of what has become a national trend to increase the minimum wage to \$15.00 per hour.

The minimum wage increase will take effect as follows:

July 1, 2016:	\$11.50
July 1, 2017:	\$12.50
July 1, 2018:	\$13.25
July 1, 2019:	\$14.00
July 1, 2020:	\$15.00

The minimum wage for employees who receive tips or gratuities will also increase along the following schedule:

July 1, 2016:	\$2.77
July 1, 2017:	\$3.33
July 1, 2018:	\$3.89
July 1, 2019:	\$4.45
July 1, 2020:	\$5.00

For tipped employees, an employer may only use the reduced minimum wage if the employee receives tips that actually make up the difference between the tipped minimum wage and the general minimum wage. After 2020, both the general and tipped minimum wages will be adjusted on July 1 of each successive year based on the Consumer Price Index for the Washington, D.C. area.

The minimum wage increase now goes to the Mayor (who appears certain to approve it) and then to Congress, which has thirty days to pass legislation disapproving the measure.

Other Major Employment Bills in the Queue

The minimum wage increase is only the first of several major employment law initiatives currently before the City Council of which D.C. employers (as well as those in Maryland and Virginia) should be aware:

The City Council is currently mulling the Universal Paid Leave Act of 2015 to provide employees with 16 weeks of paid family leave, which will be funded through a tax on D.C. employers of 1% of the annual wages of covered employees. This initiative, as it currently stands, would affect non-D.C. employers in at least two ways: First, employees of non-D.C. employers who spend more than 50% of their work time in D.C. are defined as covered employees under the proposed bill and their employers will be required to pay the 1% tax on the wages of such employees. Second, D.C. residents who work in other states are permitted to obtain family leave benefits by themselves paying the 1% tax that would otherwise be payable by the employer, and the proposed bill prohibits an employer from interfering with or retaliating against such an employee's exercise of the paid leave right. While this bill has not yet been voted upon, it is co-sponsored by a near majority of the City Council and is expected to pass.

The second major proposed employment law initiative is the Hours & Scheduling Stability Act of 2015, which is applicable to retail and food service employers. This law would heavily regulate such employers' scheduling practices, requiring them to provide a written work schedule to employees at least 21 days in advance and imposing penalties for last-minute schedule changes. It would also prohibit employers from hiring new employees or independent contractors without first offering the additional work to existing part-time employees.

Paley Rothman's Employment Group is monitoring these developments and is available for consultation with D.C. and non-D.C. employers about how these new changes may affect your business and employment practices.