



## AIRPORT LIVING WAGE DETERMINATION July 1, 2016 – June 30, 2017

The San Jose Municipal Code Chapter 25.11 – Airport Living Wage and Labor Standards – requires Airport Businesses to provide their covered employees the following minimum compensation rates:

1. If minimum health insurance benefits are provided, compensation of no less than **Fourteen Dollars and Ninety-one Cents (\$14.91) per hour**.
2. If minimum health insurance benefits are not provided, compensation of no less than **Sixteen Dollars and Sixteen Cents (\$16.16) per hour**.

For the lower rate to apply, the employer must either (a) offer the covered employee an employer-sponsored health insurance plan for which the employer pays at least 50% of the cost, or (b) pay at least 50% of the cost of the covered employee's health plan.

If minimum health insurance benefits are provided to employees, the minimum compensation required as pay for each Covered Employee is \$14.91, and can be the sum of the hourly wage (which cannot fall below the San Jose Minimum Wage Ordinance rate), the employer's hourly contribution for the covered employee's health insurance, and the employer's hourly contribution for the covered employee's retirement benefits.

$$\begin{array}{rcl} & \text{Basic Hourly Pay (cannot fall below San Jose Min Wage)} & \\ + & \text{Employer hourly contribution towards health insurance} & \\ + & \text{Employer hourly contribution towards retirement} & \\ \hline = & \underline{\underline{\$14.91}} & \text{(Required ALWO hourly pay rate)} \end{array}$$

If minimum health insurance benefits are not provided to employees, a flat rate of **\$16.16** is required.

The minimum compensation rates will be reviewed annually to determine if any adjustment should be made based on any change as of December 31 of the previous year in the CPI-U for San Francisco-Oakland-San Jose. If the CPI has not increased or if the CPI has declined, the minimum compensation rate shall remain unchanged.

Any minimum compensation rate adjustment shall be effective July 1 of each year.

## **Hours and Days of Work**

(Industrial Welfare Commission Order No. 4-2001)

### **(A) Daily Overtime - General Provisions**

- (1) The following overtime provisions are applicable to employees 18 years of age or over and to employees 16 or 17 years of age who are not required by law to attend school and are not otherwise prohibited by law from engaging in the subject work. Such employees shall not be employed more than eight (8) hours in any workday or more than 40 hours in any workweek unless the employee receives one and one-half (1 1/2) times such employee's regular rate of pay for all hours worked over 40 hours in the workweek. Eight (8) hours of labor constitutes a day's work. Employment beyond eight (8) hours in any workday or more than six (6) days in any workweek is permissible provided the employee is compensated for such overtime at not less than:
  - (a) One and one-half (1 1/2) times the employee's regular rate of pay for all hours worked in excess of eight (8) hours up to and including 12 hours in any workday, and for the first eight (8) hours worked on the seventh (7th) consecutive day of work in a workweek; and
  - (b) Double the employee's regular rate of pay for all hours worked in excess of 12 hours in any workday and for all hours worked in excess of eight (8) hours on the seventh (7th) consecutive day of work in a workweek.
  - (c) The overtime rate of compensation required to be paid to a nonexempt full-time salaried employee shall be computed by using the employee's regular hourly salary as one-fortieth (1/40) of the employee's weekly salary.