

John F. Shirey  
City Manager

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## MEMORANDUM

**DATE:** February 9, 2016

**TO:** Department Heads and Division Managers

**FROM:** John F. Shirey, City Manager 

**SUBJECT:** 2016 LIVING WAGE RATES

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The Living Wage rates for 2016 are based on the San Francisco - Oakland - San Jose Consumer Price Index (CPI). The annual CPI increase of 2.6% for 2015 is effective as of February 24, 2016. The rates have been set as follows:

**If health benefits are provided** and the employer's contribution for the benefits is **at least \$1.85** for each hour of work, the covered employee's minimum wage rate shall be **\$12.33** per hour.

**If health benefits are not provided** or if health benefits are provided but the employer's contribution is **less than \$1.85** for each hour of work, the covered employee's minimum wage rate shall be **\$14.18** per hour.

Each department that has City contracts is required to give written notice of these rates to covered employers. These rates are adjusted annually and become effective in February of each year.

For more information on the Living Wage Ordinance, please refer to the Procurement Services page at <http://portal.cityofsacramento.org/Finance/Procurement/Contract-Ordinances>