MEMORANDUM

DATE: February 16, 2022
TO: Department Heads and Division Managers
FROM: Howard Chan, City Manager
SUBJECT: 2022 LIVING WAGE RATES

The Living Wage Ordinance, City Code Chapter 3.58, provides for the city manager to determine the appropriate yearly Living Wage rate for employees of City nonprofessional services contractors who are covered by the ordinance. The living wage rate is based on the San Francisco - Oakland - San Jose Consumer Price Index for All Urban Consumers (CPI-U) for the end of 2021. The annual CPI-U increase of 4.2% for 2022 is effective as of Sunday, February 27, 2022. The rates have been set as follows:

If health benefits are provided and the employer’s contribution for the benefits is at least $2.25 for each hour of work, the covered employee’s living wage rate shall be at least $14.94 per hour.

If health benefits are not provided or if health benefits are provided but the employer’s contribution is less than $2.25 for each hour of work, the covered employee’s living wage rate shall be at least $17.19 per hour.

Each department that has City contracts is required to give written notice of these rates to a covered employer on a City contract for nonprofessional services where the compensation is $250,000 or more. 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.