


Howard Chan
City Manager

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MEMORANDUM

DATE: January 31, 2023

TO: Department Heads and Division Managers

FROM: Howard Chan, City Manager 
Howard Chan (M, L, 2021 1440 PST)

SUBJECT: **2023 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 the City's nonprofessional services contractors who are covered by the ordinance. The living wage rate is based on the San Francisco - Oakland – Hayward Consumer Price Index for All Urban Consumers (CPI-U) for the end of 2022. The annual CPI-U increase of **4.9%** for 2023 is effective as of Sunday, February 26, 2023. The rates have been set as follows:

If health benefits are provided and the employer's contribution for the benefits is at least \$2.36 for each hour of work, the covered employee's living wage rate shall be at least **\$15.67** per hour.

If health benefits are not provided or if health benefits are provided but the employer's contribution is less than \$2.36 for each hour of work, the covered employee's living wage rate shall be **at least \$18.03** per hour.

Each department that manages 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>.