

REVISED LEGISLATIVE DIGEST

(Amended in Board, 3/9/2021)

[Emergency Ordinance - COVID-Related Hazard Pay]

Emergency ordinance to temporarily require certain retail locations that include grocery stores or pharmacies, and property service contractors for retail locations that include grocery stores or pharmacies to pay employees an additional five dollars per hour during the public health emergency related to COVID-19.

Existing Law

The Minimum Wage Ordinance, Administrative Code Chapter 12R, requires employers of employees in the City to pay a minimum hourly wage rate, which is adjusted annually and is currently \$16.07 per hour.

Amendments to Current Law

The proposed emergency ordinance temporarily requires certain grocery stores, drug stores, and janitorial and security contractors whose employees work on-site at these grocery stores or drug stores to provide \$5 per hour hazard pay to employees (up to a total wage of \$35 per hour). The emergency ordinance applies to grocery stores and drug stores with 500 or more employees worldwide including at least 20 employees in the City, and employees of janitorial and security contractors at such stores. Covered employers that voluntarily provided hazard pay may offset the employer-initiated hazard pay.

Background Information

The emergency ordinance includes anti-retaliation protections that, among other provisions, prohibit interfering with any right protected under the emergency ordinance and taking any adverse action against an employee for exercising rights protected under the emergency ordinance.

The Office of Labor Standards Enforcement (OLSE) will, within seven days of the effective date of the emergency ordinance, publish and make available on its website and through email to employers a notice suitable for employers to inform employees of their rights under this emergency ordinance, as well as information about City, state, and federal resources that employees negatively impacted by the public health emergency may qualify to receive. Employers must provide the notice to employees, in English, Spanish, Chinese, Filipino, and any language spoken by at least 5% of the employees at job site, within three days after it is published. The OLSE will implement and enforce the emergency ordinance.

The proposed ordinance was amended in committee to:

- Clarify that salaried workers whose pay when calculated on an hourly basis is below the hazard pay cap must receive hazard pay, through an amendment to “Base Wage.”
- Separately define “Wage Enhancement” such as overtime or holiday pay premiums, for clarity.
- Amend the definition of “Covered Employer” and make corresponding changes in other places to make clear (1) that employees of a store that contains a grocery or pharmacy are covered, such as employees of a large drug store rather than just the employees of the pharmacy within it; and (2) that non-retail pharmacies, such as a pharmacy that serves a hospital, are not covered.
- Add relevant cross-references to existing Administrative Code provisions in Section 7, pertaining to OLSE enforcement.
- Make the operative date on the third day from the effective date to allow employers to adjust wages.
- For the expiration date, add the end of the local health emergency as an alternate date for sunset.

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