

CALIFORNIA EMPLOYER READINESS

2027 California Wage Planning Checklist

A practical implementation workbook for HR, payroll, finance, and operations teams preparing for January 1, 2027.

\$17.40/hour

CALIFORNIA STATEWIDE MINIMUM WAGE • EFFECTIVE JAN. 1, 2027

\$72,384/year

GENERAL TWICE-STATE-MINIMUM-WAGE SALARY FLOOR WHERE THAT TEST APPLIES

Do not stop at the statewide rate. The correct rate may be higher because of a city or county ordinance, an industry-specific rule, a collective bargaining agreement, or another applicable requirement. Confirm the rule for every location where work is performed.

How to use this checklist

1. Assign ownership

Name one accountable owner for each workstream and a final reviewer with authority to approve changes.

2. Verify by work location

Use the employee's actual work location—not only the company address or assigned office.

3. Preserve evidence

Record the official source, effective date, approval, system test, and communication used for each change.

4. Audit after launch

Review the first affected payroll and a sample of wage statements; correct issues promptly.

COMPANY / BUSINESS UNIT

PROJECT OWNER

REVIEW DATE

Escalate for focused review

- Employees working in multiple jurisdictions
- Remote, hybrid, traveling, or temporary workers
- Fast-food, health-care, hospitality, commissioned, piece-rate, or union-represented employees
- Exempt employees near a salary threshold

Recommended project team

- HR / People Operations
- Payroll and HRIS
- Finance / Compensation
- Operations / Location leadership
- Employment counsel, when needed

Baseline verified September 18, 2026. Educational information only—not legal advice. Verify current state, local, and industry rules before implementation.

1 Location, Wage Rate & Classification Audit

Complete one rate determination for every place employees perform work. Attach or link the official source used.

	REQUIRED ACTION	OWNER	DUE	EVIDENCE / SOURCE
☐	Build the work-location inventory. Include physical sites, remote-work locations, temporary assignments, and employees who regularly work across jurisdictions.			
☐	Map each employee to the applicable 2027 wage rule. Start with the \$17.40 statewide rate, then identify any higher local or contractual rate.			
☐	Check industry-specific requirements. Separately evaluate covered fast-food and health-care employees and any local hospitality or hotel rules.			
☐	Review exempt classifications. Confirm both the salary basis/threshold and the applicable duties test. Do not assume every exemption uses the same salary threshold.			
☐	Identify compression and equity impacts. Flag employees just above a new minimum, pay-band overlaps, and manager/subordinate compression for business review.			

2 Payroll, Timekeeping & HRIS Configuration

	REQUIRED ACTION	OWNER	DUE	EVIDENCE / TEST RESULT
☐	Load approved changes with the correct effective date. Confirm location, job, union, shift, and other rate tables do not overwrite the approved amount.			
☐	Test overtime and regular-rate calculations. Include bonuses, differentials, commissions, multiple rates, piece-rate pay, and other remuneration where applicable.			
☐	Test derivative pay items. Review paid sick leave rates, reporting-time pay, split-shift premiums, meal/rest-period premiums, and other items affected by the employee's rate.			
☐	Run pre-production payroll QA. Test representative employees from every affected jurisdiction and pay arrangement; retain screenshots or reports.			
☐	Confirm downstream integrations. Verify benefit, scheduling, labor-costing, accounting, and vendor feeds receive the updated rates.			

3 Employee Documents, Notices & Communications

	REQUIRED ACTION	OWNER	DUE	VERSION / DELIVERY
☐	Determine whether updated Wage Theft Prevention notices are required. Review Labor Code section 2810.5 requirements for affected nonexempt employees; use the current Labor Commissioner form.			
☐	Update written compensation materials. Review offer letters, increase letters, commission agreements, piece-rate documents, union schedules, and internal pay tables.			
☐	Prepare employee and manager communications. State the effective date, new rate, where questions should go, and what managers may—and may not—promise.			

4 Postings, Policies & Manager Materials

REQUIRED ACTION	OWNER	DUE	LOCATION / VERSION
☐ Replace the California minimum-wage posting for January 1, 2027. Confirm it is displayed where employees can readily read it.			
☐ Confirm the correct Industrial Welfare Commission Wage Order is posted. Review each operation/worksites rather than applying one Wage Order companywide without analysis.			
☐ Complete the local posting review. Identify local minimum-wage, hospitality, fair-workweek, or other required notices for each covered location.			
☐ Update manager tools and policies. Remove outdated 2026 rates from onboarding guides, compensation FAQs, recruiting templates, intranet pages, and approval workflows.			

5 Implementation Timeline

TARGET DATE	MILESTONE AND DECISION GATE	OWNER	
By Oct. 31, 2026	Complete location/rate inventory; identify affected employees and high-risk cases.		☐
By Nov. 15, 2026	Approve wage, classification, compression, and local-rate decisions; escalate unresolved issues.		☐
By Dec. 1, 2026	Finalize payroll configuration, notices, postings, document updates, and communication plan.		☐
By Dec. 15, 2026	Complete end-to-end payroll/HRIS testing and obtain written go-live approval.		☐
Jan. 1, 2027	Confirm scheduled changes are active and required postings are displayed.		☐
First 2027 payroll	Audit representative wage statements, rates, hours, overtime, premiums, deductions, and net pay.		☐

6 Final Verification Record

Go-live review

- No unresolved employees below an applicable minimum
- All configuration tests passed
- Required notices and postings issued
- Manager and employee communications approved

Post-payroll review

- Sample covers each location and pay arrangement
- Regular and overtime rates are correct
- Wage statements display correct rate(s)
- Corrections have an assigned owner and deadline

Approval

HR / PEOPLE OPERATIONS SIGNATURE

DATE

PAYROLL / FINANCE SIGNATURE

DATE

FINAL EXECUTIVE APPROVAL

DATE

References (verified September 19, 2026):

1. California DIR, "California's minimum wage set to increase to \$17.40 per hour on January 1, 2027," Release 2026-66: dir.ca.gov/DIRNews/2026/2026-66.html.
2. California Labor Commissioner, Minimum Wage FAQs and workplace-posting guidance: dir.ca.gov/dlse/faq_minimumwage.htm and dir.ca.gov/wpnodeb.html.
3. California Labor Code § 2810.5 and Labor Commissioner Notice to Employee: [leginfo.ca.gov](https://leginfo.ca.gov/leginfo/legislator/2810.5_notice.pdf) and dir.ca.gov/dlse/lc_2810.5_notice.pdf.
4. California Labor Commissioner guidance on paid sick leave, overtime, meal periods, reporting-time pay, and split shifts: dir.ca.gov/dlse/DLSE-FAQs.htm.

Important: Educational information only—not legal advice. This checklist does not determine coverage, classification, or compliance for a particular employer. Requirements can change; verify current state, local, and industry rules and consult qualified California employment counsel when appropriate.