

# LIVING WAGE

## FREQUENTLY ASKED QUESTIONS

**Q. Are professional services covered under the Living Wage Ordinance?**

- A.** Yes. Except where prevailing wages are required, all service contractors must pay a living wage when they hold one or more contracts in a fiscal year with an aggregate amount that exceeds the living wage threshold.

**Q. What is the threshold where Living Wages are required?**

- A.** For fiscal year 2021 (July 1, 2020 through June 30, 2021), the living wage threshold is \$20,766. The payment of living wages is required when a service provider holds one or more contracts with the City to provide services and the contract(s) amount exceed the living wage threshold.

**Q. How is the threshold adjusted?**

- A.** The threshold is adjusted at the beginning of each fiscal year (July 1) by the January-to-January change in the CPI for Urban Wage Earners and Clerical Workers for Los Angeles-Riverside-Orange counties.

**Q. How are the Living Wages adjusted?**

- A.** The wage is adjusted at the beginning of each fiscal year (July 1) by the January-to-January change in the CPI for Urban Wage Earners and Clerical Workers for Los Angeles-Riverside-Orange counties.

**Q. How does Living Wages affect me?**

- A.** The City of Santa Barbara's Living Wage ordinance requires that a living wage be paid to all workers on contracts for general services when the contract threshold has been exceeded. All bidders are required to meet the same minimum wage rate when bidding on service contracts.

**Q. If salaried personnel work on a Living Wage contract, are they exempt?**

- A.** No. You may be required to submit documentation showing the numbers of hours the salaried person worked on the contract and the salary paid.

**Q. What are the documentation requirements?**

- A.** Prior to issuance of a contract or purchase order, you must complete a Living Wage Certification form. In addition, you are required to maintain a list of all employees working under a living wage contract and to provide the names and supporting documentation upon request to the City. At a minimum, you must provide the names, job classification, dates worked, rate of pay, benefits paid, and copies of time sheets and certified payroll and other collaborating documentation to support compliance. Failure to provide adequate documentation may result in termination of contract(s) and debarment.

**Q. What types of records do I need to keep and for how long?**

- A.** Service providers are required to maintain adequate payroll, tax, time sheets, personnel, and work records sufficient to allow the City to verify compliance. Such records shall be maintained for a period of three (3) years after the completion of the City's contract and shall be made available for review by the City upon the City's request.

**Q. If I subcontract for a portion of the services, is the subcontractor required to pay Living Wages?**

- A.** Yes.

**Q. Is off-site work covered by the Living Wage Ordinance?**

- A.** Yes, if the employee hours worked can be attributed to the services provided to the City.