



Los Angeles Requires Health Benefit Payments for Hotel Workers

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Beginning July 1, 2026, covered employers in the City of Los Angeles subject to the Citywide Hotel Worker Minimum Wage Ordinance (“CHMWO”) must pay a health benefit rate of \$4.25 per hour (adjusted annually) to covered hotel employees. If the employer does not provide health benefits, the health benefit payment must be provided as an additional hourly wage. The ordinance permits limited waivers in certain circumstances.

This update provides a high-level overview of the ordinance as it relates to the health benefit payment requirements for hotel employers.

■ Hotel Employers Covered under the Ordinance

A covered Hotel Employer is:

1. Any person who owns, controls, or operates a hotel in the City of Los Angeles;
2. Any person who owns, controls or operates any premises connected to or operated in conjunction with the hotel’s purpose; or
3. Any person who employs Hotel Workers to provide services at the hotel.

The CHMWO generally applies to hotels within the geographic boundaries of the City of Los Angeles with 60 or more guest rooms and hotels with 50 or more guest rooms located within the Airport Hospitality Enhancement Zone. For more information on determining Hotel Employers, see [here](#).

■ Hotel Workers Covered under the Ordinance

A Hotel Worker is an individual whose primary place of employment is at one or more covered hotels and who is employed directly by the Hotel Employer, or by a person who has contracted with the Hotel Employer to provide services at the Hotel.

The following are not considered Hotel Workers covered by the CHMWO:

- *Managerial and supervisory employees* – employees who have the authority to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other subordinate employees, or the responsibility to direct them, adjust their grievances, or, in effect, recommend such action. The exercise of such authority must require the use of independent judgment.
- *Confidential employees* – any employee whose duties involve access to confidential information, usually in regard to the employer's labor relations.

■ Hotel Employer Requirements

Beginning on July 1, 2026, a Hotel Employer must either make a health benefit payment towards the provision of health care benefits for a Hotel Worker or, if no health benefits are provided, pay the Hotel Worker the health benefit payment as an additional wage per hour.

If the Hotel Employer's hourly health benefit payment is less than the health benefit rate in effect, the difference must be paid to the Hotel Worker as an additional hourly wage.

The health benefit expenditure rate schedule is as follows:

- **Effective July 1, 2026**, the health benefit rate is \$4.25 per hour.
- **Effective July 1, 2027**, the health benefit rate is \$6.00 per hour.
- **Effective July 1, 2028**, and annually thereafter each July 1, the health benefit rate will match the health benefit rate applicable to airport workers pursuant to Section 10.37.3(a) of the Los Angeles Administrative Code.

Covered Hotel Employers must post the required CHMWO notice, which includes the current health benefit rate, in a conspicuous place at any workplace or job site where a covered employee works.

Health benefits that qualify under the ordinance include health coverage, dental, vision, mental health, and disability income.

Coverage not credited toward the cost of health benefit coverage include retirement benefits, accidental death and dismemberment insurance, life insurance and other benefits that do not provide medical or health related coverage.

■ Waivers and Exemptions

There are three limited circumstances for which a waiver or exemption from the CHMWO requirement may apply:

- **Collective Bargaining Agreement (“CBA”)**. A CBA may supersede the requirements of the CHMWO for hotel workers covered by the CBA. All parties to the CBA must expressly waive the benefits required by the CHMWO.
- **Limited Hardship Waiver for Hotel Employers**. A Hotel Employer may apply with the Office of Wage Standards (“OWS”) for a one-year waiver from the CHMWO based on financial hardship with supporting documentation.



- **Employee Health Benefit Waiver.** A Hotel Worker may request a waiver of the health benefit provisions of the CHMWO with the OWS if they receive health benefits under Medicare, a health plan through the U.S. Department of Veteran Affairs, or a health plan in which the Hotel Worker's spouse, domestic partner or parent is a participant or subscriber. If the waiver is in effect, the employee remains entitled to the minimum hourly wage and an additional monthly payment of either \$100 (for a full-time employee) or \$50 (as a part-time employee). For more information on waivers and exemptions, see [here](#).

■ Employer Action

Hotel Employers subject to the CHMWO should prepare to comply with its requirements, including accounting for employees covered by the ordinance that may not otherwise be eligible under the group health plan (e.g., part-time employees). Employers should ensure required notices are posted and proof of benefit expenditures are maintained.