





Over 40 local ordinances may apply! oMinimum wage, paid sick leave, predictive scheduling, flex time



The **local minimum wage** is based on where the employee is *physically* working (e.g., home residence).

Look for Jan 1 increases! Visit bit.ly/CEAminimumwagePSL



employers.org • 800.399.5331 © California Employers Associat

## **Personal Vehicle Usage**

Must reimburse costs incurred by employee on behalf of the business, including mileage when personal vehicle is used for work

### **IRS Mileage Rate:**

- 2024: 67 cents/mile
- January 1, 2025: ?

Must pay hourly employees for actual drive time (i.e., work time) in addition to mileage reimbursement



employers.org • 800.399.5331 © California Employers Associati

### **PAGA Reform**

July 1, 2024: AB 2288 and SB 92 were signed into law, significantly reforming the Private Attorneys General Act

- This legislation was enacted as a result of a deal between the legislature and business groups.
  - Business groups withdrew a ballot measure to repeal PAGA entirely
- Reforms apply to PAGA cases filed on or after June 19, 2024
- The reforms mark **impactful changes** to how wageand-hour lawsuits will be litigated going forward



employers.org • 800.399.5331 © California Employers Association

## **PAGA Reform**

#### New opportunities for employers to reduce their penalties by demonstrating they took "reasonable steps" to comply with wage and hour laws

New opportunities to "cure" following a PAGA Notice consult legal counsel

#### "Reasonable steps":

- Periodic payroll audits and taking action in response to results
- Lawful written policies
- **Training supervisors**
- Taking corrective action for supervisors who are not following your policies





mplovers.org • 800.399.5331

## SB 988: Independent Contractors-"Freelance Worker Protection Act"

**Prohibits:** 

agreeing to:

Retaliation

· Once work has started,

Accept less

services, or

cannot make timely payments

conditional on the worker

compensation, or

Provide more goods or

o Grant more intellectual

property rights to hirer

#### Applies to:

- "Freelance worker" performing "professional services" as a bona fide indépendent contractor
- Does NOT change test for independent contractor vs. employee
- "Freelance worker": Individual person, or an organization of no more than one person; ≥\$250 for services

#### **Requires:**

Written contract: Name and mailing address of each party; list of services, value, rate and method of compensation, date services due to receive timely payment

## California Employers

employers.org • 800.399.5331 © California Employers Associati

## SB 988: Independent Contractors-"Freelance Worker Protection Act"

#### **Current Services Covered:**

- ✓ Marketing
- ✓ HR Administration
- ✓ Travel Agent Services
- ✓ Graphic Design
- ✓ Grant Writer
- ✓ Fine Artist
- ✓ Dept. of Treasury **Enrolled Agent**
- California Employers Association

- ✓ Photographer,
- videographer, photo editor, including Digital content aggregator
- ✓ Freelance writer, translator, copy editor,
- illustrator, newspaper cartoonist
- employers.org 800.399.5331 © California Employers Associati
- ✓ Esthetician. electrolysis,
  - manicurist, cosmetologist
- ✓ Performers teaching master classes
- ✓ Certain appraisers
- ✓ Certain professional foresters

## FAQ:

We use **time rounding** to the nearest 15 minutes.

For example, if an employee arrives at 8:07am, it will reflect **8:00am**, but if they arrive at 8:08am, it will reflect **8:15am**. Sometimes they gain time, other times they lose. **Is this okay?** 



employers.org • 800.399.5331 © California Employers Association

## **Rounding Not Recommended!**

### Probably not.

- In Camp v. Home Depot (2022), CA Court of Appeal held that rounding policy is **NOT** compliant when employee **tracked their exact time in minutes and records showed employee was not paid for all time worked** due to rounding policy.
- Case is up for review with the **California Supreme Court** and we should have a final decision soon!



employers.org • 800.399.5331 © California Employers Association

# Wage & Hour: To Do's



- ✓ Ensure minimum wage rates are adjusted as needed and update Wage Theft Notices
- Review local ordinances and industry specific wage requirements
- Adjust salaries for exempt employees as needed
- ✓ Implement "reasonable steps" in light of PAGA reform, including payroll audits and supervisor wage and hour training
- ✓ Review independent contractor arrangements



employers.org • 800.399.5331 © California Employers Association Employee
Rights and
Protections

EEOC Guidance,
Protected Classes,
Captive Audience Meetings,
Job Advertisements

### **EEOC's Harassment Guidance**

**NEW:** After nearly 25 years, on 4/29/2024, the EEOC updated its harassment guidance with 77 examples and clarification, such as:

- Harassment can include intrusive questions about sexual orientation, gender identity, gender transition, or intimate body parts
- Harassment of LGBTQ+ workers can include denial of access to bathrooms consistent with gender identity, intentional and repeated mis-gendering, etc.
- Sexual harassment can be based on pregnancy, childbirth, and related medical conditions
- Harassment can occur in remote work environments
- Intersectional harassment is harassment based on more than one protected characteristic of an employee (for example, harassment based on both race and age)



employers.org • 800.399.5331 © California Employers Associatio

### **EEOC Example:**

One day at work, Janet (age 51) quickly removed her jacket and began fanning herself. A manager saw and said, "Oh, you're having a hot flash! You must be menopausal." Janet said she would prefer not to discuss it.

On another occasion when Janet mixed up a customer order, **the manager yelled at her** and asked if Janet's mistake was because of "all of the hormones" and said, "women your age get so emotional."

This example represents "intersectional" harassment based on both age and gender (e.g., stereotypes about older women)



employers.org • 800.399.5331 © California Employers Association

## **FEHA Protected Classes**

**SB 1137:** Amends FEHA's definitions to recognize the concept of "intersectionality"

- Unlawful discrimination or harassment can occur not just because of one protected class, but also because of the combination of two or more protected classes
- · Clarification of existing law
- Mirrors EEOC Guidance (April 2024)

To Do: Review and update handbook EEO policies to address intersectionality



employers.org • 800.399.5331 © California Employers Association

### **FEHA Protected Classes**

**AB 1815:** Protective hairstyles: Deletes the word "historically" from the definition of "race"

 New definition: "Race" includes traits historically associated with race, including, but not limited to, hair texture and protective hairstyles"

To Do: Review and update handbook EEO policies, as well as policies addressing dress and appearance at work



employers.org • 800.399.5331 © California Employers Association

## SB 1100: Drivers License Discrimination



 <u>Cannot</u> require a <u>driver's license</u> on job <u>advertisement</u>, <u>posting</u>, <u>application</u> or other material unless employer <u>reasonably</u>:

- 1. expects driving to be a function of the position, AND
- 2. believes alternative transportation would not be comparable in travel time or cost (e.g., Ride hailing service, Taxi, Carpooling, Bicycling, Walking, etc.)
- To Do: Update job postings and application materials



employers.org • 800.399.5331 © California Employers Association

## SB 399: Captive Audience Meetings

"CA Worker Freedom from Employer Intimidation Act"

- Employees may decline to attend meeting(s) or listen to communications regarding an employer's opinion about religious or political matters (including re: labor organizations).
  - o Adverse action or threats of adverse action prohibited
  - Does not include legally required information or information necessary to perform job duties
  - o Employee who is working at the time of the meeting and elects not to attend must be **paid**
- Historically, captive audience meetings were permitted under the NLRA; however in November 2024, the NLRB ruled that mandatory captive audience meetings are unlawful.





employers.org • 800.399.5331 © California Employers Association

## **Labor Law Poster Updates**

#### AB 2299: Whistleblowers

- Labor Commissioner will update its "Whistleblowers Are Protected" poster
- Unlike current "sample notice", new poster will guarantee its posting by employers fulfills California's requirements

#### Minimum Wage Posting

- DIR poster: \$16.50/hour
- Supplemental Posters for Fast Food and Health Care

#### AB 1870 Workers Comp

- Workers compensation rights notice must include:
  - Employee's right to consult an attorney
  - Notice that in most cases, attorney's fees will be paid from an injured employee's recovery
  - Updated Dir Notice (Form D7 version 10/24)



# **Employee Rights: To Do's**



- ✓ Review EEOC's guidance and stay up to date on harassment prevention training (every two years)
- ✓ Revise handbook policies regarding protected classes
- ✓ Review job postings, applications, etc. to ensure driver license requirements are appropriate
- ✓ Train supervisors on captive audience meeting law
- ✓ Update Labor Law Posters for 2025



employers.org • 800.399.5331 © California Employers Association



## **AB 2499: Crime Victims Leave** All Employers

Prior to January 1, 2025 (Labor Code section 230):

#### All employers required to provide:

- Time Off From Work for jury service, witness duty and to seek relief for safety (e.g.,TRO,) for employee who is a crime victim or their child
- Employees could use vacation and paid sick leave if employee was victim of domestic violence sexual assault or stalking
- Reasonable accommodation to ensure safety at work of employee who is victim of domestic violence, sexual assault, stalking
- Employer must maintain confidentiality
- Note: AB 2499 does not change other laws requiring time-off for employees to attend judicial proceedings, or other proceedings where a victim's right is at issue, involving certain specified crimes (Labor Code sections 230.2 and 230.5)



employers.org • 800.399.5331 © California Employers Association

## AB 2499: Crime Victims Leave All Employers (cont.)

AB 2499 Changes Effective January 1, 2025:

- New definition of a "victim"
- Reasonable accommodation for employee safety at work now required where employee  $\underline{\text{or family member}}$  is the victim
- Employees can use Paid Sick Leave for all crime victim purposes
- · New notice requirements: Employer must provide notice:
  - · To new employees upon hire
  - · To all employees annually,
  - Upon request, and any time an employee informs an employer that employee or employee's family member is a victim
  - · CRD to issue new notice by July 1, 2025
    - · Duty to provide notice begins when new notice is posted on agency website



employers.org • 800.399.5331 © California Employers \*\*\*\*

## **AB 2499: New Definitions**

"Victim": An individual against whom a qualifying act of violence has been committed:

- · Domestic violence, sexual assault, and stalking
- Acts, conduct or patterns of conduct that include
  - > bodily injury or death to another individual
  - > exhibiting, drawing, brandishing or using a firearm or dangerous weapon
  - > using or threatening to use force to cause physical injury

### "Family member":

- · Child, parent, grandparent, grandchild, sibling, spouse, or domestic partner
- · "Designated person":
  - · Any individual related by blood or whose association with the employee is the equivalent of a family relationship
  - Employer may limit employee to one designated person per 12-month period



California Employers Association

employers.org • 800.399.5331 © California Employers Associati

## AB 2499: 25 or More Employees

#### Prior to lanuary 1, 2025:

Time off from work required for employees who are victims of crime to seek medical or mental health care, victims' services and to engage in safety planning (in addition to court leave)

#### AB 2499 Changes:

- New reasons for leave: obtaining court relief, legal proceedings, medical attention and victim services, mental health services, safety planning, relocation to secure new residence or school for child, providing care to family member recovering, providing childcare or care to dependent adult
- Employer may limit total combined leave for all reasons to **12 weeks**. **Leave runs concurrently** with CFRA/FMLA, if applicable
- When the employee's family member is the victim, so long as they are not deceased, employer may limit leave: 10 days total, 5 days when used for



California Employers

employers.org • 800.399.5331 © California Employers Associati

prior to collecting Paid Family Leave (PFL) benefits from the State/EDD **Old rule:** Employers *used to* be able to require

longer require employees to use accrued vacation

• Beginning January 1, 2025, employers may no

AB 2123:

**Paid Family Leave Benefits** 

- employees to use up to 2 weeks of vacation/PTO before using PFL through the state
- · New rule applies to periods of disability beginning after January 1, 2025
- To do: Update handbooks, leave policies and forms and train payroll staff on this important change



employers.org • 800.399.5331 © California Employers Associati

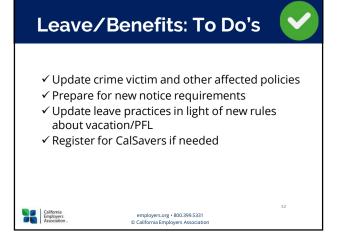
### **CalSavers Retirement**

- California employers who do not offer retirement plans must enroll employees in CalSavers (employees can opt out)
- Requirement to register with CalSavers (unless exempt) has been phased in based on employer size
- Deadline for employers with 1 or more employees to register is December 31, 2025
- California Employers Association

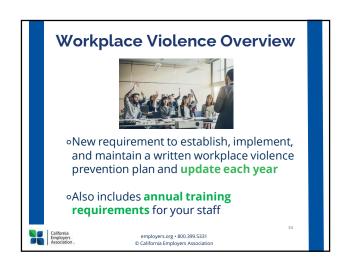
employers.org • 800.399.5331
© California Employers Association

### What is CalSavers?

- Retirement savings program for employees in California who don't have a retirement plan at work
- Employers add and maintain their employee roster and submit contributions via payroll deduction
- No employer fees nor do employers make contributions to employee accounts
- Employee participation is voluntary

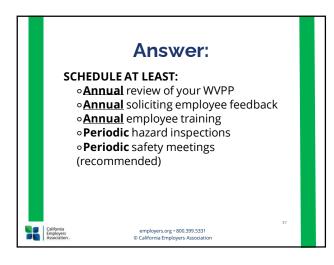


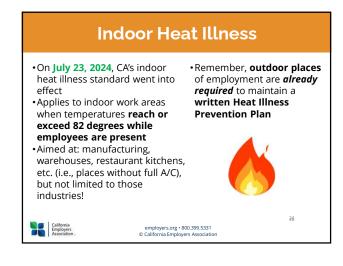


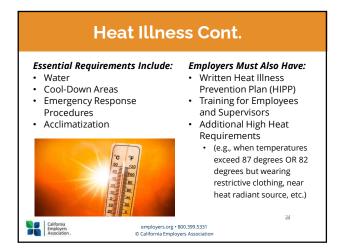


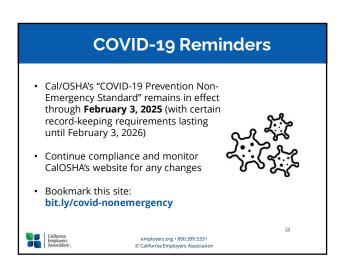


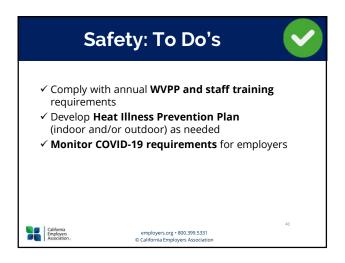


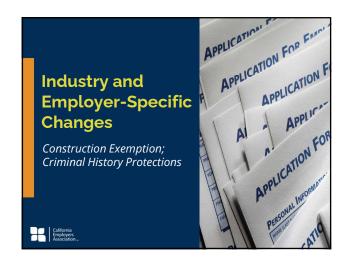












## **AB 1034: Construction Industry PAGA Exemption Extended Exemption**

- PAGA exemption:
  - For employees in the **construction industry**
  - · If they fall under a collective bargaining agreement (CBA) meeting specific requirements
- Exemption extended from January 1, 2028 to January 1, 2038
- Consult legal counsel about specific requirements for exemption



employers.org • 800.399.5331 © California Employers Association

## Two New Local Fair Chance Ordinances

#### **State Law Refresher**

Employers with 5 or more employees:

#### Can't Inquire Into Criminal History:

Prohibits employers with 5 or more employees from inquiring into criminal history in the interview process

#### Until After a Conditional Employment Offer:

Cannot ask about past criminal history or conduct a background check until AFTER a conditional job offer has been extended

#### To Deny, Must Show "Direct & Adverse" Relationship:

Even if something is flagged in background check, <u>cannot</u> deny job UNLESS able to show conviction history has a "direct and adverse" relationship with the specific duties of the job, after conducting an individualized assessment



employers.org • 800.399.5331 © California Employers Association

## **New Local Fair Chance Ordinances:** San Diego and Los Angeles Counties

#### San Diego County Ordinance

- Effective October 10, 2024
- Unincorporated areas of San Diego County
- Those doing business who employ 5 or more employees
- Enforced by County Office of Labor Standards Enforcement
- Some differences from state law
  - Individualized Assessment must be in writing; applies to remote work and contracts performed within geographical boundaries
- For more information, visit:

https://www.sandiegocounty.gov/content/s dc/OLSE.html



employers.org • 800.399.5331 © California Employers Association

#### Los Angeles County Ordinance

- Effective September 3, 2024
- Unincorporated areas of Los Angeles
- Businesses with 5 or more employees located in unincorporated areas
- Enforced by Dept. of Business and
- Consumer Affairs
- Several Differences from state law:
- · Additional requirements with job ads, written offer letter disclosures, two written individualized assessments and recordkeeping
- New required notice to be posted!
- For more information, visit:
- https://dcba.lacounty.gov/fairchance/



# What's Next, California Employers?

- •Ensure you stay up to date on trainings: mandatory harassment prevention training, annual WVPP training, supervisor wage and hour training;
- oKeep your employee handbook current with new laws (CEA can assist you!)
- Comply with new wage requirements and pay attention to local ordinances
- •Ensure you have an updated Labor Law Poster in your workplaces
- Stay tuned to ongoing developments by following CEA's blog!



employers.org • 800.399.5331 © California Employers Associatio







