Speed Dating Through California's Laws: Learn as Much as Possible, as Fast as You Can

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Roundup of New 2024 CA Employment Laws

- Senate Bills
- Assembly Bills
- Regulations
- Minimum Wage Changes



How soon must parties disclose information in a new case?

- A. Right away! (Let's get to know each other.)
- B. 60 days
- C. Wait as long as possible! (A little mystery is a good thing.)



- Effective January 1, 2024
- Amends California Code of Civil Procedure to require parties to make initial witness and document disclosures within 60 days of another party's request.
- Imposes sanctions on parties that fail to comply/act in good faith with the new law.





- The initial disclosures must include the following:
- Contact information of all persons "likely to have discoverable information ... that
 the disclosing party may use to support its claims or defenses, or that is relevant
 to the subject matter of the action or the order on any motion made in that
 action".
- "A copy, or a description by category and location, of all documents" that fall within the same categories above.
- Any relevant insurance policies that may be used "to satisfy, in whole or in part,
 a judgment entered in the action or to indemnify or reimburse for payments
 made to satisfy the judgment".

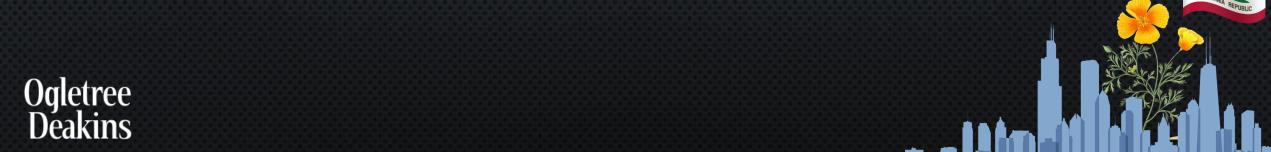


- Aligns with the obligations dictated by the Federal Rules of Civil Procedure, wherein parties are required to disclose witnesses and documents "that the disclosing party may use to support its claims or defenses".
- But goes beyond Federal Rules of Civil Procedure in that the parties must disclose witnesses and documents that are relevant to the case, which means that a party must disclose witnesses and documents that may potentially be harmful to its case.



SB 365: Stay Pending Arbitration Appeal

- Effective January 1, 2024.
- Amends California Code of Civil Procedure to state that "the perfecting of such an appeal shall not automatically stay any proceedings in the trial court during the pendency of the appeal".
- Employers could be forced to continue defending claims from employees that are arguably subject to arbitration while they appeal a trial court's order denying arbitration.



SB 365: Stay Pending Arbitration Appeal

Preempted Under Federal Arbitration Act (FAA)?

- Several cases hold that FAA procedural rules do not apply unless an agreement expressly incorporates them.
- Most agreements state interpretation and enforcement governed by the FAA.
- Potential issue: Does phrase "interpretation and enforcement under the FAA" constitute an express incorporation of the FAA's procedural rules?



SB 365: Stay Pending Arbitration Appeal

- Consider update to existing arbitration agreement.
- Another reason to remove to federal court (if possible).





If an employee is disciplined or discharged within this number of days after engaging in certain activity, there is a "rebuttable presumption" of retaliation.

- A. 89 days
- B. 90 days
- **C.** 91 days





- Effective January 1, 2024.
- Creates a rebuttable presumption of retaliation if an employee is disciplined or discharged within 90 days of engaging in certain activity protected by the California Labor Code and California's Equal Pay Act.
- Presumption of retaliation makes it easier for an employee to establish a prima facie case of retaliation.





- Protected activity.
 - Almost anything in employment law.
 - Lawful conduct during nonworking hours.
 - Complaints that employer is violating Equal Pay Act.
- Adds \$10,000 penalty per employee for each violation to be awarded to complaining employee





- Consider adjusting approach to disciplining employees.
- Renewed emphasis on documenting employee performance issues, retraining HR departments, and ensuring supervisors are aware of the importance of such documentation.





SB 525: Minimum Wage Requirement for Healthcare Workers

- Effective January 1, 2024.
- Raises minimum wage for California healthcare employees and sets a new salary threshold for exempt healthcare employees.
- Any employee providing patient care, healthcare services, or other services supporting the provision of healthcare are covered.





SB 525: Minimum Wage Requirement for Healthcare Workers

- Rates phase in depending on the type of facility and other factors, but for some workers the rate starts at \$21.00 per hour in June 2024.
- Rates will increase for workers at various facilities to \$25.00 per hour beginning in June 2025.
- Salaried employees must receive the greater of 150% of healthcare worker minimum wage or 200% of the applicable minimum wage, whichever is greater.
- By March 1, Department of Industrial Relations must develop a waiver program that will allow covered employers to apply for a one-year temporary pause or alternative phase in schedule.





SB 525: Minimum Wage Requirement for Healthcare Workers

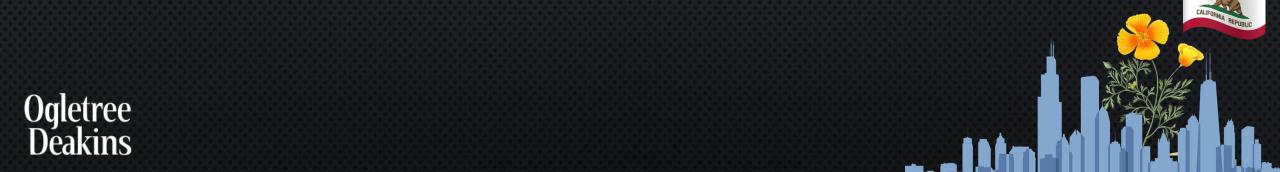
- Determine whether your business qualifies for a waiver.
- Revise applicable policies to ensure compliance with the new minimum wage requirements and review their wage and hour practices.





SB 553: Workplace Violence

- Effective July 1, 2024.
- Establishes new workplace violence prevention standards in CA.
- Requires employers to develop workplace violence prevention plans as part of their injury and illness prevention programs.



SB 553: Workplace Violence

- Requires employers to implement a comprehensive workplace violence prevention plan with very specific components and procedures.
- Requires employers to:
 - Record violent workplace incidents or threats in a violent incident log;
 - Provide effective training to all employees; and
 - Maintain records related to the workplace violence prevention plan.





SB 553: Workplace Violence

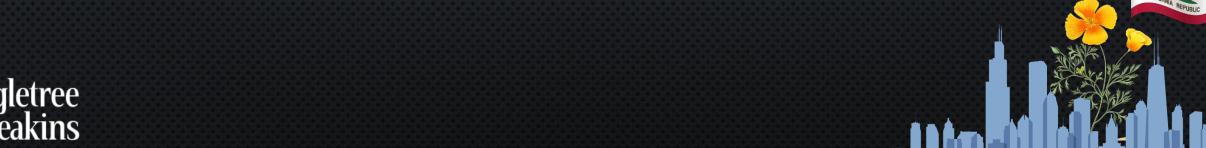
- Written plan.
- Person responsible for the plan.
- Plan available to employees.
- Evaluate hazards.
- Implement plan with engineering and administrative controls.
- Training.
- Recordkeeping (Violent Incident Log).





Employees can use paid sick leave for the care of ...

- A. New friend that the employee met at speed dating.
- B. Child, parent, spouse, registered domestic partner, grandparent, grandchild, sibling, and designated person.
- C. Both (a) and (b) if the employee named the new friend as a designated person.





- Effective January 1, 2024.
- California employers must provide employees with 5 days or 40 hours of paid sick leave.
- Employers still may limit annual use and accrual, although at a higher level than before.
- Extends non-retaliation and procedural protections to collective bargaining agreement employees.



Accrual Options

- Sick leave must accrue at a rate of not less than 24 hours or 3 days by the 120th calendar day of employment and no less than 40 hours or 5 days by the 200th calendar day of employment.
- Accrued paid sick days carry over to following year with accrual cap of 80 hours/10 days.
- Frontload Option
 - May continue to frontload if prefer to do so.



- Revise paid sick leave policies to comport with the new paid sick leave requirements and accrual and usage caps.
- Educate HR and managers about new California paid sick leave obligations.





Illinois Paid Leave For All Workers Act / Cook County Paid Leave Ordinance / Chicago Paid Leave and Paid Sick Leave / Safe Leave Ordinance



Cook County Commission on Human Rights Paid Leave Jurisdictions Comparison Chart

	City of Chicago – Paid Leave and Paid Sick and Safe Leave	Cook County – Paid Leave Ordinance	State of Illinois – Paid Leave for All Workers Act (PLAWA)
Effective Date	12/31/23 *Delayed implementation until 7/1/24	12/31/23 *Enforcement begins 2/1/24	1/1/24
Where does it apply?	Within the City of Chicago.	All municipalities within Cook County, except Chicago, unless a municipality has opted into IL Paid Leave for All Workers Act (PLAWA) or has an equivalent ordinance.	Entire State of Illinois. Some jurisdictions (i.e. Cook County, City of Chicago) may have their own laws.
Who does it apply to?	"Covered Employees" - means any employee who performs at least 80 hours of work for an Employer in a 120-day period while physically present within the geographic boundaries of the City of Chicago (this includes domestic workers and individuals that travel within the boundaries of the city of Chicago on compensated time). *Some exceptions apply.	"Employees" are covered by the Cook County Paid Leave Ordinance if: (1) you work for an employer in Cook County; and/or (2) your employer has a place of business in Cook County." This also includes Domestic Workers. *Some exceptions apply.	"Employees" - individuals who perform work in Illinois for an employer that does business in Illinois. *Some exceptions apply.
For what reasons can leave be used?	Paid Leave – for any reason. Paid Sick Leave – for illness, injury, family illness, victim of domestic violence, victim of sex offense or trafficking, business closed for public health emergency, family care, etc.	For any reason.	For any reason.
When can employees begin using leave?	Paid Leave – 7/1/24 OR 90 calendar days after starting employment, whichever is later. Paid Sick Leave – 7/1/24 OR 30 calendar days after starting employment, whichever is later. *NOTE: Employers must comply with the City's current Paid Sick Leave Ordinance until 7/1/24.	90 days after starting employment, or 90 days after the Ordinance went into effect, whichever is later.	May begin using Paid Leave on either: (1) 1/1/24; OR (2) 90 days after starting employment, whichever is later.
Accrual Rate	Paid Leave AND Paid Sick Leave – Minimum 1 hour for every 35 hours worked; Maximum of 40 hours for each/12-month period (unless employer sets higher limit). *NOTE: Employers may front-load leave at the beginning of the year rather than use accrual.	hour of Paid Leave for every 40 hours worked. *NOTE: Employers may front-load leave at the beginning of the year rather than use accrual.	1 hour of Paid Leave for every 40 hours worked. *NOTE: Employers may front-load leave at the beginning of the year rather than use accrual.



Illinois Paid Leave For All Workers Act / Cook County Paid Leave Ordinance / Chicago Paid Leave and Paid Sick Leave / Safe Leave Ordinance

Cook County Commission on Human Rights | Paid Leave Jurisdictions Comparison Chart

Individual Right of Action Option?	Yes. Effective 12/31/23 for Paid Sick Leave, and 7/1/25 for Paid Leave (6-130-100).	Yes.	No.
Cure period?	Yes, temporary; Cure period is available from July 1, 2025, to June 30, 2026, then sunsets.	No.	NA
Carryover of unused time allowed?	Paid Leave – Yes, may carry over up to 16 hours of unused Paid Leave (except where frontloaded/provided on a pro rata basis). Paid Sick Leave – Yes, may carry over up to 80 hours of unused Paid Sick Leave.	Yes. Employees may carry over up to 40 hours of unused Paid leave (except where front-loaded/provided on a pro rata basis).	Yes. Any unused Paid Leave can be carried over (except where front-loaded/provided on a pro rata basis). Employers are not required to allow use of more than 40 hours of Paid Leave in a 12-month period.
Payout of unused leave required upon termination or separation from employment?	Large employers (101+ employees) – Yes. Payout of FULL amount of unused leave required. *NOTE: never more than 7 days (5 accrued days plus 2 carryover days). Medium-sized employers (between 51 and 100 covered employees) Yes. However, must payout a maximum of 16 hours until 7/1/2025, unless employer sets higher limit. *(After 7/1/2025, Medium-sized employers must pay out full amount of unused, accrued leave.) *Same NOTE as above. Small employers (50 or less covered employees) NOT required to payout unused leave.	Payout of unused paid leave is required if the leave is credited to the employee's paid time off bank or vacation bank. *NOTE: Employers are not required to credit paid leave required under the Ordinance to a paid time off bank or vacation bank.	No, UNLESS Paid Leave was already credited to an employee's paid time off bank or vacation account (front-loaded). *See Illinois Wage Payment and Collection Act.
Penalties	Employer liable for damages for actual underpayment, compensatory damages and fines ranging from \$1,000.00 to \$3,000.00 per offense. Each day that a violation continues shall constitute a separate and distinct offense.	Employer liable to employee for damages for actual underpayment, compensatory damages, and fines ranging from \$500 to \$1,000.	Employer liable to employee for damages for actual underpayment, compensatory damages, fines ranging from \$500 to \$1,000, equitable relief, which may include attorney's fees, expert witness fees, other costs.
Filing period	Within 3 years of the alleged violation. (2-25-200(8)(e)) If multiple or continuing violations, within 3 years of the date of the last occurrence.	Within 3 years of the alleged violation. If multiple or continuing violations, within 3 years of the date of the last occurrence.	Within 3 years of the alleged violation. If multiple or continuing violations, within 3 years of the date of the last occurrence.



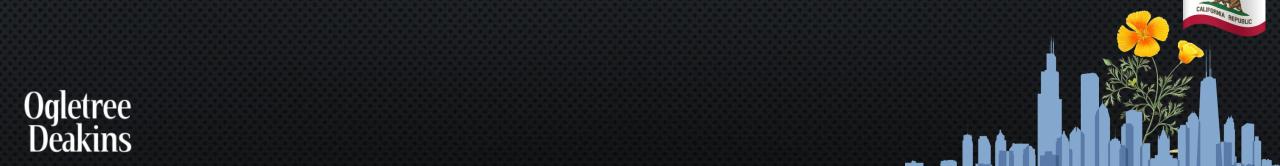
SB 699: Noncompete Agreements

- Effective January 1, 2024.
- Makes it unlawful for employers to enter into or attempt to enforce non-compete agreements and establishes that non-compete agreements are void in California regardless of where the employee worked when the agreement was entered and/or where the agreement was signed.
- Remedies: Damages, attorneys' fees and costs, and injunctive relief.



SB 699: Noncompete Agreements

- Consider modifying agreements with current employees that contain potentially void noncompetition provisions.
- Still can prohibit competition/solicitation using trade secrets.



Illinois Freedom to Work Act (2022)

- Requires employee be provided 14 calendar days to review a noncompete or nonsolicitation agreement. Employee must be advised in writing to consult with an attorney.
- Bans noncompetes for employees making \$75k per year or less (threshold increases by \$5k every five years until \$90k).
- Bans customer and coworker nonsolicitation for employees making \$45k per year or less (threshold increases by \$2,500 every five years until reaching \$52,500).
- Employee can recover attorneys' fees and costs.
- Illinois Attorney General can initiate or intervene in litigation.



SB 700: Discrimination – Cannabis Use

- Effective January 1, 2024.
- Amends California's Fair Employment and Housing Act to prohibit employers from requesting information from job applicants relating to their prior use of cannabis.
- Employers may not screen for non-psychoactive cannabis metabolites.
- Does not apply to employees in building and construction trade.
- Employees cannot be impaired on the job.



SB 700: Discrimination – Cannabis Use

- Makes it unlawful for employers to request information from applicants for employment relating to prior use of cannabis.
- Prior cannabis use obtained from criminal history may be considered if employers are otherwise allowed to inquire under California's Fair Chance Act or other state or federal law (does not preempt state or federal laws requiring testing for controlled substances).





SB 700: Discrimination – Cannabis Use

- Review and revise antidiscrimination policies and drug use policies to comport with the new protections concerning prior cannabis use.
- Revise and revise background check forms/procedures.





Illinois – Cannabis Use (2014 & 2020)

TAKEAWAYS

- Right to Privacy in the Workplace Act (a/k/a, lawful off duty conduct law)
- 2014 Medicall Marijuana Law
- 2020 Recreational Marijuana Law

"Nothing in this Act shall be construed to create or imply a cause of action for any person against an employer for actions taken pursuant to an employer's reasonable workplace drug policy, including but not limited to subjecting an employee or applicant to reasonable drug and alcohol testing, reasonable and nondiscriminatory random drug testing, and discipline, termination of employment, or withdrawal of a job offer due to a failure of a drug test." 410 ILCS 705/10-50 (e)(1).



SB 848: Reproduction / Adoption Loss Leave

- Effective January 1, 2024.
- Allows eligible employees to take up to 5 days of unpaid leave following a "reproductive loss event".
- Employees experiencing a reproductive loss and wishing to take a leave must be employed with an employer with at least 5 employees for at least 30 days prior to the commencement of the leave.





SB 848: Reproduction / Adoption Loss Leave

- A "reproductive loss event" is "the day or, for a multiple-day event, the final day of a failed adoption, failed surrogacy, miscarriage, stillbirth, or an unsuccessful assisted reproduction".
- Covers multiple events, but, total leave shall not exceed 20 days within a 12-month period.
- Employees can use accrued and available paid sick leave.





SB 848: Reproduction / Adoption Loss Leave

- Revise leave policies to comport with the new leave requirements.
- Educate HR and managers about new leave obligations.





Illinois – Family Bereavement Leave Act (2023)

- Eligible employees
 - (1) worked for the employer at least 12 months;
 - (2) worked a minimum of 1,250 hours in the past 12 months; and
 - (3) worked at a location where employer employs 50 or more employees within 75 miles.





Illinois – Family Bereavement Leave Act (2023)

- 10 unpaid work days to:
 - attend the funeral or alternative to a funeral of the covered family member;
 - make arrangements necessitated by the death of the covered family member;
 - grieve the death of the covered family member; or
 - be absent from work due to (i) a miscarriage; (ii) an unsuccessful round of intrauterine insemination or of an assisted reproductive technology procedure (e.g., artificial insemination or embryo transfer); (iii) a failed adoption match or an adoption that is not finalized because it is contested by another party; (iv) a failed surrogacy agreement; (v) a diagnosis that negatively impacts pregnancy or fertility; or (vi) a stillbirth.





Illinois – Family Bereavement Leave Act (2023)

- 48 hours advance notice of leave, unless not reasonable or practicable.
- Leave must be completed within 60 days after employee receives notice of death or occurrence of pregnancy-related or adoption-related event.
- Up to six weeks of leave if more than one death in a 12-month period.
- Can require reasonable documentation, but cannot require employee to identify what even lead to leave when leave is related to pregnancy or adoption.



Illinois – Extended Child Bereavement Leave Act (2024)

- Provides leave for loss of a child by suicide or homicide.
- Eligible Employee: FullI-time employee who has worked for at least two weeks.
- Large employers = 250 or more full-time employees
- Small employers = at least 50 but fewer than 250 full-time employees





Illinois – Extended Child Bereavement Leave Act (2024)

- Employee of large employers = 12 weeks
- Employee of small employer = 6 weeks
- Leave can be used intermittently in no less than 4 hour increments or continuously.
- Can require reasonable advance notice of leave, unless not practicable.
- Can require reasonable documentation.





AB 594: Local Enforcement – Wage Theft

- Effective January 1, 2024.
- Authorizes the California attorney general, a district attorney, or a city or county prosecutor to pursue a civil or criminal action for a violation of certain provisions of the Labor Code – in particular, willful misclassifications of an individual as an independent contractor instead of an employee.





AB 594: Local Enforcement – Wage Theft

- Local public prosecutor can seek injunctive relief, and recover attorneys' fees and costs, and expert witness fees.
- Recovered civil penalties are paid to state.
- Arbitration agreements have no effect on the authority of the public prosecutor or the Labor Commissioner.



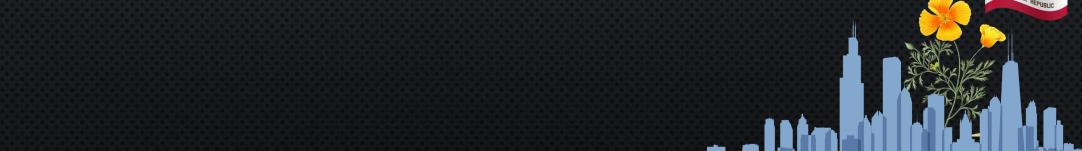


Illinois Wage Payment and Collection Act & Chicago Ordinance

TAKEAWAYS

IWPCA

- Penalty of 5% of the amount of the underpayment for each month during with underpayment remains unpaid.
- Non-waivable administrative fee to IDOL (\$250-\$1,000 depending on underpayment)
- Reasonable attorneys' fees and costs.
- Can be found guilty of misdemeanor or felony.
- Individual liability.



Illinois Wage Payment and Collection Act & Chicago Ordinance

TAKEAWAYS

Chicago

- Fine of not less than \$500.00 nor more than \$1,000 for each offense. Each day of a violation is a separate and distinct advance.
- Reasonable attorneys' fees and costs.
- Annual written notice within 30 days of July 1, advising employees of current minimum wage, fair workweek (if applicable) and paid leave/paid sick leave.





AB 933: Sexual Harassment Defamation Privilege

- Effective January 1, 2024.
- Defendants who are sued for making defamatory statements based on their own experience(s) as victims of others' sexual assaults and other sexual misconduct may assert the privilege as a bar to liability.
- Individual must have a reasonable basis to file a complaint of sexual assault, etc., even if individual never did file a complaint.
- Prevailing defendants may recover attorneys' fees and costs, treble damages, and punitive damages.



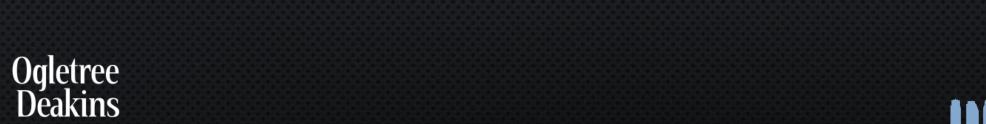
AB 1076: Notice of Void Noncompete Obligations

- Requires employers to provide all current and certain former employees hired after January 2022 with individualized written notices that any post-employment non-compete clause in an employment agreement and/or post-employment non-compete agreement is void.
- Deadline passed: February 14, 2024.



AB 1076: Notice of Void Noncompete Obligations

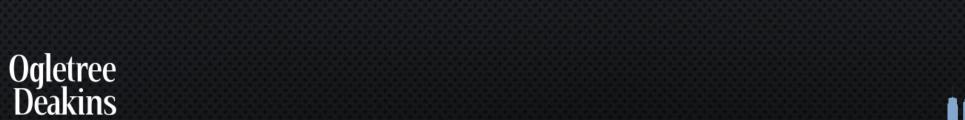
- Makes it unlawful "to include a non-compete clause in an employment contract, or to require an employee to enter a noncompete agreement".
- Does not define what constitutes an unlawful "non-compete agreement," leaving open the questions regarding employee nonsolicitation agreements.





AB 1076: Notice of Void Noncompete Obligations

- Conduct a privileged audit of employment agreements with existing employees and former employees hired after January 2022 to determine whether they include restrictive covenants of any kind.
- Consider sending belated notice (must be (1) individualized, (2) in writing, and (3) sent to the last known address and email address of each covered employee).





AB 1228: Fast Food Industry Changes

- Effective April 1, 2024.
- Fast food restaurant employees in California will be entitled to earn at least \$20 per hour.
- Fast food employee minimum wage will increase on an annual basis thereafter, up through 2029.
- Establishes the Fast Food Council, which will be appointed and may recommend regulations addressing other working conditions.



AB 1228: Fast Food Industry Changes

- Businesses operating as restaurants in California may want to determine if they are part of a national fast food chain, as defined in the law.
- Such businesses may also want to plan for an increase in the employee minimum wage to \$20 per hour by April 1, 2024.
- Employers may also want to remain alert for additional industry regulations, once the Fast Food Council is convened in 2024.



When can an employer withdraw a job offer based upon a criminal conviction?

- A. Right after the employer says: "It's not you, it's me."
- B. After assessing, giving proper notice and a chance to explain, waiting, and assessing more (provided all requirements are met).
- C. Never.



- New rules for criminal background checks.
- Effective October 1, 2023.
- General process:
 - Initial Assessment
 - Pre-Adverse Action Letter
 - Reasonable Waiting Period (5 business days)
 - Additional Assessment
 - Adverse Action Letter





Current Law

Three Evaluation Factors

- 1. Nature and gravity of offense or conduct;
- 2. Time that has passed since offense or conduct and/or completion of sentence; and
- 3. Nature of the job held or sought.



Current Law

Adverse action letter must

- Identify the specific conviction;
- Notice of right to respond to the letter;
- Right to respond with information re: rehabilitation or mitigation;
- Give deadline to respond;
- Give procedure for internal appeals (if any); and
- Right to file a complaint with the California Civil Rights Division.





New Regulations

- Includes current employees.
- Requires more letters and assessments.
- Requires evidence-based analysis that the conviction has a direct and adverse relationship to job duties (consistent with business necessity).
- Eight factors to consider relating to nature and gravity of offense or conduct; must be considered at two different stages of process.
- Past drug addiction and mental impairment must be considered as well as trauma, domestic abuse, sexual assault, etc.



Illinois – Background Checks (2021)

- California basically copied our existing law.
- Illinois employers are from basing adverse employment decisions on a conviction record, unless the employer can show (1) the conviction is substantially related to the person's job or (2) employing the person despite the conviction would pose an unreasonable safety risk.
- Must look at six factors to determine substantial relationship:
 - 1. Length of time since conviction;
 - 2. Number of convictions;
 - 3. Nature and severity of the conviction and its relationship to the safety and security of others;
 - 4. Facts and circumstances surrounding the conviction;
 - 5. Age at the time of the conviction; and
 - 6. Evidence of rehabilitation efforts.



Illinois – Background Checks (2021)

- Must engage in interactive assessment by sending PRE pre-adverse action letter giving the applicant/employee the ability to provide information on the six factors. Must specify conviction at issue.
- Wait 5 business days.
- Analyze any information provided—under federal law and under Illinois law.
- If don't change mind, make preliminary decision.
- Send pre-adverse action letter consistent with IL law and FCRA.
- Wait another 5 days
- Analyze any information provided—under federal and Illinois law.
- If don't change mind, send adverse action letter consistent with IL law and FCRA. MUST tell employee of right to file charge of discrimination at IDHR.



Pay Minimums for Software Employees

- Effective January 1, 2024.
- California raised the minimum pay thresholds for computer software employees to be exempt from the state's overtime requirements.
- Raised the minimum annual salary exemption from \$112,065.20 to \$115,763.35, the minimum monthly salary exemption from \$9,338.78 to \$9,646.96, and the minimum hourly rate of pay exemption from \$53.80 to \$55.58.



California Minimum Wage Increases

- Effective January 1, 2024.
- California minimum wage: \$16 per hour.
- Oakland: \$16.50 per hour.
- San Diego: \$16.85 per hour.
- San Jose: \$17.55 per hour.
- Impacts some exemptions.



Thank You!

Please scan the QR code to fill out the evaluation form for this session.





