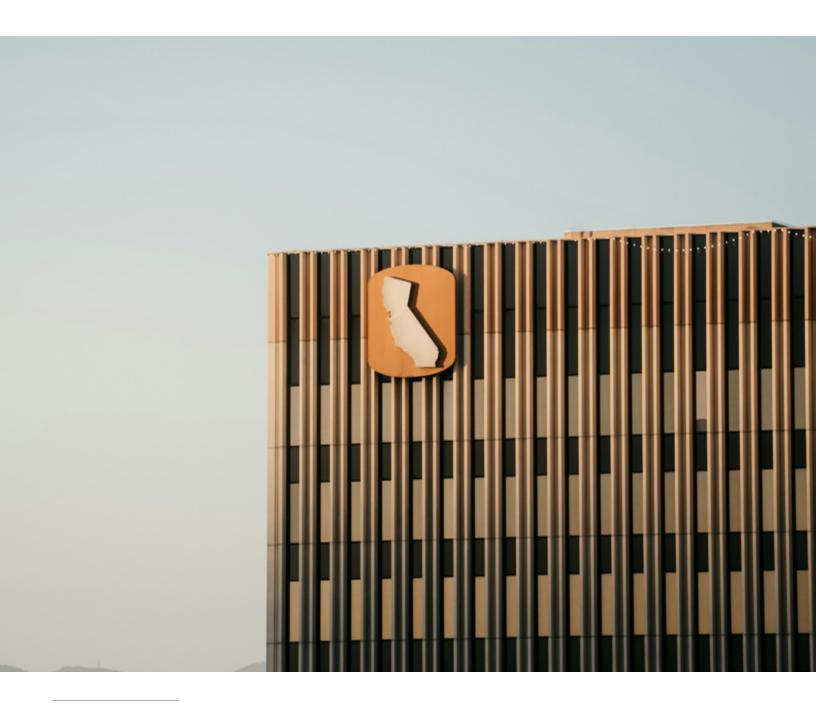
## RIMÔN



alifornia has enacted several new laws and implemented new rules affecting employers in California. The following is a summary of the most important changes to the rules and regulations governing the workplace in California.

The effective date for each is January 1, 2024, unless otherwise noted.1



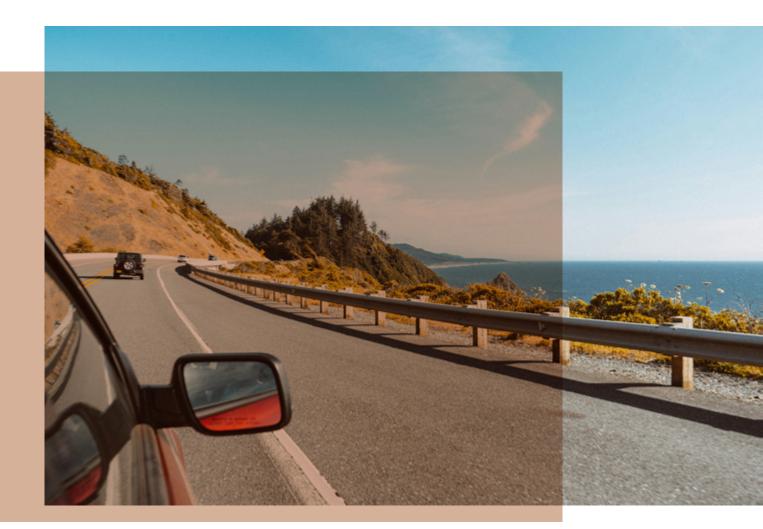
While this publication is intended to be thorough, it is not possible to set forth every changed employment law or to do so thoroughly in this brief space. Further, this publication is not intended to be, and is not, legal advice. If you have questions about employment law in general or this publication in particular, please consult with legal counsel of your choosing.

## IRS Mileage Reimbursement Rates

The IRS mileage reimbursement rates for 2024 are:

- 67 cents per mile driven for business use, up 1.5 cents from 2023;
- 21 cents per mile driven for medical or moving purposes for qualified active-duty members of the Armed Forces, a decrease of 1 cent from 2023; and
- 14 cents per mile driven in service of charitable organizations. (The rate is set by statute and remains unchanged from 2023.)

These rates apply to electric and hybrid-electric automobiles, as well as gasoline and diesel-powered vehicles (cars, pickup trucks, and vans).





## Minimum Wage Increase

#### Rate

As of January 1, 2024, the base minimum wage in California increased to \$16 an hour for all employers, regardless of employee headcount, with the exception of certain fast food restaurants and health care facilities, which will be subject to their own minimum wage requirements beginning April 1, 2024 and June 1, 2024, respectively. Certain cities and counties also have their own increased minimum wage rates. These exceptions are discussed later in this section.

### **Salary Basis Test for Exempt Employees**

The change in the minimum wage also affects the minimum salary an employee must earn to meet one part of the overtime exemption test. Exempt employees are paid a set salary each week and are not subject to payment of overtime for hours worked. To meet this initial requirement of the exemption test, an employee must earn no less than two times the state's minimum wage for full-time work. As of January 1, 2024, employees in California must earn an annual salary of no less than \$66,560, based upon a minimum wage of \$16 per hour, to meet this threshold requirement.

#### **Computer Software Employees**

The minimum wage for computer software employees also increased. California Labor Code Section 515.5 provides that certain computer software employees are exempt from the overtime requirements stipulated in Labor Code Section 510 if certain criteria are met. One of the criteria is that the employee's hourly rate of pay is not less than the statutorily specified rate, which the Department of Industrial Relations is responsible for adjusting on October 1st of each year to be effective on January 1st of the following year, by an amount equal to the percentage increase in the California Consumer Price Index for Urban Wage Earners and Clerical Workers.

In accordance with Labor Code Section 515.5(a)(4), the Department has adjusted the computer software employee's minimum hourly rate of pay exemption from \$53.80 to \$55.58, the minimum monthly salary exemption from \$9,338.78 to \$9,646.96, and the minimum annual salary exemption from \$112,065.20 to \$115,763.35, effective January 1, 2024, reflecting the 3.3% increase in the California Consumer Price Index for Urban Wage Earners and Clerical Workers.

### **Higher Minimum Wage Rates**

Some cities and counties have higher minimum wages than the state's \$16 hourly rate. They are:

Alameda	\$16.52
Belmont	\$17.35
Berkeley	\$18.07
Burlingame	\$17.03
Cupertino	\$17.75
Daly City	\$16.62
East Palo Alto	\$17.00
El Cerrito	\$17.92
Emeryville	\$18.67
Foster City	\$17.00
Fremont	\$16.80
Half Moon Bay	\$17.01
Hayward	\$16.90 <sup>2</sup>
Los Altos	\$17.75
Los Angeles City	\$16.78
Los Angeles County	\$16.90
Malibu	\$16.90
Menlo Park	\$16.70
Milpitas	\$17.20
Mountain View	\$18.75

<sup>&</sup>lt;sup>2</sup> The minimum wage in Hayward for employers with less than 25 employees is \$16.00.

Novato	\$16.60 <sup>3</sup>
Oakland	\$16.50
Palo Alto	\$17.80
Pasadena	\$16.93
Petaluma	\$17.45
Redwood City	\$17.70
Richmond	\$17.20
San Carlos	\$16.87
San Diego	\$16.85
San Francisco	\$18.07
San Jose	\$17.55
San Mateo	\$17.35
San Mateo County (unincorporated)	\$17.06
Santa Clara	\$17.75
Santa Monica	\$16.90
Santa Rosa	\$17.45
Sonoma	\$17.604
South San Francisco	\$17.25
Sunnyvale	\$18.55
West Hollywood	\$19.08

The minimum wage in Novato for employers with less than 25 employees is \$16.04. For employers with 100 or more employees, it is

<sup>&</sup>lt;sup>4</sup> The minimum wage in the City of Sonoma for employers with less than 25 employees is \$16.56.



## Wage and Hour Requirement for Specific Industries



#### **Fast Food Workers**

Under the Fast Food Worker Minimum Wage Law, the minimum wage will increase to \$20 per hour for covered restaurants, effective April 1, 2024. The law applies to fast food restaurants that are part of a fast food chain consisting of more than 60 establishments.

#### **Health Care Workers**

The Health Care Worker Minimum Wage Law provides that covered health care facilities will be subject to one of several minimum wage schedules, which begin raising minimum wages for covered employees on June 1, 2024, to \$18, \$21, or \$23 per hour, depending on the nature of the employer. The law's definition of covered health care facilities applies to



nearly every type of health care facility, including hospitals, clinics, urgent care centers, and medical group practices, but does not include: (1) facilities owned, controlled, or operated by the California Department of State Hospitals; (2) tribal clinics exempt from licensure; and (3) outpatient settings operated by federally-recognized tribes or tribal organizations. The law applies to almost all health care employees.



#### **Government Contractors**

If you do business with government entities, you must follow additional state and federal requirements for wages and benefits, including following the prevailing wage laws. Please speak to legal counsel if this is applicable to you.

#### Other

The following industries have different wage and hour requirements: airline cabin crew, ambulance, barbering and cosmetology, camps (student employees), car wash and polishing, construction, domestic service, farm labor, fishing crews, foreign labor contractors, garment, janitorial, mining/logging/refining, public employers, sales with no fixed place of business in California, security guard, theater/radio/television, warehouse distribution centers.

### New Version of Form I-9

#### **New Form**

Effective November 1, 2023, the current version of the Form I-9 – Employment Eligibility Verification for employers to use, is revision dated 08/01/23.

#### **Electronic Verification**

Effective July 2023, the Department of Homeland Security has created an alternative examination procedure that allows qualified employers who are enrolled in E-Verify to verify Form I-9 documents electronically through a live video call. This is especially helpful for remote workers and when there are multiple employer locations.







Additional Paid Sick Leave Benefits Required

California has significantly expanded mandatory paid sick leave, increasing the minimum required amount of leave to 40 hours or five days per year, whichever is more.

Regarding accruals, employers are still permitted to choose between frontloaded "lump sum" and accrual-based sick leave policies. Employers can choose any of the following:

- 1. Employees accrue one hour of paid sick leave for every 30 hours worked;
- 2. Employers can "front load" paid sick leave by giving employees an up-front accrual of 40 hours (or five days) of leave at the beginning of employment and each 12 months thereafter; or
- 3. Employees can accrue paid sick leave at a rate other than one hour for every 30 hours worked, so long as the accrual is regular and results in at least 24 hours (or three days) of leave by the 120th day of employment and 40 hours (or five days) by the 200th day of employment.

The law requires that accrued sick leave be carried over and currently allows employers to place an accrual cap, which must now be at least 80 hours or 10 days. (It had been 48 hours

or six days.) The law also allows employers to limit employees' use of accrued sick leave per year to five days or 40 hours.

The following cities have paid-sick-leave ordinances: Berkeley, Emeryville, Los Angeles (city), Oakland, San Diego, San Francisco, and Santa Monica. If you have clients in one of these cities, please consult with legal counsel regarding the applicable sick leave entitlement.

## New Reproductive Loss Leave

There is a new required leave of absence in California. Employers of five or more employees must provide up to five days of protected leave to employees who: (1) have worked for the employer for at least 30 days; and (2) have suffered a reproductive loss event. A reproductive loss event is defined as the day (or, for a multiday event, the final day) of a failed adoption, failed surrogacy, miscarriage, stillbirth, or an unsuccessful assisted reproduction. The five days of protected leave are not required to be taken consecutively but should be taken within three months of the event. If an employee experiences more than one reproductive loss event within a 12-month period, they are entitled to five additional days of leave. Employers are not obligated to grant more than 20 days of total reproductive loss leave within a 12-month period.

Reproductive loss leave may be unpaid, except that an employee may use vacation, personal leave, and available sick leave that is otherwise available to the employee. The new law further makes it unlawful for an employer to retaliate against an individual because of the individual's exercise of the right to reproductive loss leave or the individual's giving of information or testimony as to reproductive loss leave. The new law requires the employer to maintain employee confidentiality relating to reproductive loss leave, as specified. Employers may not request documentation to confirm the reproductive loss.





## Required Bereavement Leave

Effective January 1, 2023, employers with five or more employees must provide bereavement leave to employees who have worked for the employer for at least 30 days. The leave is for five days and can be unpaid. The person who passed away must be the spouse, child, sibling, grandparent, grandchild, or parent-in-law of the employee.

## New Protections for Off-Site, Off-Duty Cannabis Use

It is now unlawful for an employer to discriminate against a person, including hiring, terminating, or otherwise setting or changing a term or condition of employment, or otherwise penalize a person, if the discrimination is based upon:

- 1. the person's use of cannabis off the job and away from the workplace, except for preemployment drug screening, if allowed; or
- 2. upon an employer-required drug screening test that has found the person to have non-psychoactive cannabis metabolites in their hair, blood, urine, or other bodily fluids.



This new law impacts pre-employment testing practices. It provides that employers are able to conduct pre-employment drug testing, and an employer can still refuse to hire someone based on test results, but only if the test is a valid pre-employment drug screening that does not screen for non-psychoactive cannabis metabolites, which can stay in a person's system long after the psychoactive effects have worn off.

Certain applicants and employees are exempt, including employees in the building and construction trades and applicants/employees in positions requiring a state or federal background investigation or security clearance.

Government Code Section 12954 has been amended to make it unlawful for an employer to request information from an applicant for employment relating to the applicant's prior use of cannabis. Information about a person's prior cannabis use obtained from the person's criminal history is exempt if the employer is permitted to consider or inquire about that information under a specified provision of the California Fair Employment and Housing Act or other state or federal law.

This new law does not permit an employee to possess, be impaired by, or use cannabis on the job, and it maintains employers' rights and obligations in keeping a drug and alcohol-free workplace.

## Changes to Non-competition Agreements

Section 16600.5 has been added to the Business and Professions Code to codify existing case law on non-competition agreements in California. Contractual provisions by which a person is restrained from engaging in a lawful profession, trade, or business of any kind, is void in this state except as otherwise provided. It is clarified that any contract that is void under the law described above is unenforceable regardless of where and when the contract was signed. This new law also prohibits an employer or former employer from attempting to enforce a contract that is void regardless of whether the contract was signed or if the employment was maintained outside of California.

The new law also prohibits an employer from entering into a contract with an employee or prospective employee that includes a provision that is void under the law described above. An employer who violates that law commits a civil violation. An employee, former employee, or prospective employee is permitted to bring an action to enforce that law for injunctive relief or the recovery of actual damages, or both. A prevailing employee, former employee, or prospective employee is entitled to recover reasonable attorneys' fees and costs.

AB 1076 amends Section 16600 and adds Section 16600.1 to the Business and Professions Code and requires employers to notify current and former employees (employed after January 1, 2022) in writing by Feb. 14, 2024, that any noncompetition clause or agreement already entered into is void.

## New Requirement to Develop and Implement a Workplace Violence Prevention Plan

Effective July 1, 2024, nearly all California employers will be required to establish, implement, and maintain an "effective" workplace violence prevention plan. This includes: (1) establishing the plan; (2) training the workforce about the plan; (3) keeping a violence incident log for each incident of workplace violence involving an employee; and (4) retaining records. There are specific requirements for each of these steps.

This plan can be made part of the employer's required Injury and Illness Prevention Program or a stand-alone plan. The plan requires 13 specific elements.



- 1. Names or job titles of the people implementing the plan. If there are multiple people, each person's role in implementing the plan must be set forth.
- 2. Procedures for obtaining input from employees and authorized representatives.
- 3. Methods to coordinate the plan with other employers and their employees, as needed.
- 4. Procedures to accept and respond to reports of workplace violence, including prohibiting retaliation.
- 5. Procedures for ensuring that all employees comply with the plan.
- 6. Procedures for communicating with employees regarding workplace violence, including how to report a violation and how concerns will be addressed.
- 7. Procedures to respond to actual or potential workplace violence emergencies, including alerting others, evacuation/shelter-in-place options, and obtaining help.
- 8. Procedures to develop and provide training required under the law.
- 9. Procedures to identifying and evaluate workplace violence hazards, including schedules and periodic inspections.
- 10. Procedures to timely correct workplace violence hazards.
- 11. Procedures for post-incident response and investigation.
- 12. Procedures to review the plan's effectiveness and to revise it if needed, including reviews annually, when a deficiency occurs, and after any incident.
- 13. Any other requirements of Cal/OSHA.

The plan must be specific to the hazards and corrective measures for each work area and operation.

Certain employers are excluded from the requirement, including, (1) health care workers; (2) the California Department of Corrections and Rehabilitation; (3) employees who work virtually from a location outside of the employer's control; (4) employers with fewer than 10 employees whose workplace is not open to the public; and (5) law enforcement agencies.

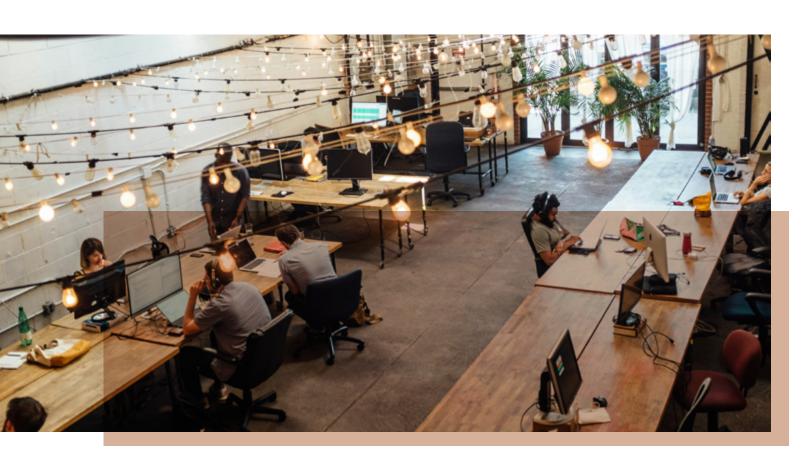


## Workplace Restraining Orders Protecting Employees

Employers have long been able to obtain restraining orders to protect employees and the workplace from violence.

Effective January 1, <u>2025</u>, employers may obtain a restraining order on behalf of an employee who has suffered harassment. "Harassment" is defined as a knowing and willful course of conduct directed at the employee that seriously alarms, annoys, or harasses the employee, and that serves no legitimate purpose. Further, the conduct must be such that would cause a reasonable person to suffer substantial emotional distress and must actually cause the employee substantial emotional distress. Also effective January 1, <u>2025</u>, the employee can remain anonymous in the petition for the restraining order.

Collective bargaining representatives may seek these restraining orders on their members' behalf. All chief administrative officers of a private, post-secondary educational institution can seek a restraining order on behalf of a student, with that student's written permission.





## An Updated Wage Theft Prevention Notice Is Required to Be Given to New Employees

Prior law required an employer to provide an employee, at the time of hiring, a written notice including specified information in the language that the employer normally uses to communicate employment-related information to the employee. Prior law required the Labor Commissioner to prepare a template that includes the information and to make the template available to employers in a manner as determined by the Commissioner.

The new rule (amended Labor Code Section 2810.5) adds a new requirement that the written notice provide information on "the existence of a federal or state emergency or disaster declaration applicable to the county or counties where the employee is to be employed, and that was issued within 30 days before the employee's first day of employment, that may affect their health and safety during their employment."

The term "employee" does not include, among other persons, an employee who is covered by a valid collective bargaining agreement if the agreement expressly provides for the wages, hours of work, and working conditions of the employee, and if the agreement provides premium wage rates for all overtime hours worked and a regular hourly rate wage. The new rules also excludes an H-2A agricultural employee from the definition of "employee" if they are covered by an agreement that provides for wage rates of not less than the federal H-2A program wage that is required to be paid during the contract period.



## New 90-Day Rebuttable Presumption for Workplace Retaliation

A new law creates a rebuttable presumption of retaliation if an employee is disciplined or discharged within 90 days of engaging in a protected activity. The burden then rests on the employer to overcome that presumption. This presumption makes it easier for employees to establish a prima facie (basic) case of retaliation. It also establishes that, in addition to other remedies, an employer is liable for a civil penalty not exceeding \$10,000 per employee for each violation of this provision, to be awarded to the employee who was retaliated against. The Labor Commissioner, in assessing this penalty, must consider the nature and seriousness of the violation based on the evidence obtained during the investigation. (See Labor Code Sections 98.6, 1102.5, and 1197.5.)

If you plan to take an adverse employment action against an employee, please review

whether that employee has engaged in protected activity within the past 90 days. While these two actions may be unrelated, now it will be presumed that the adverse action was done in retaliation for the employee engaging in the protected activity.

## Changes to COVID Regulations



On January 9, 2024, the California Department of Public Health ("CDPH") updated its COVID-19 Isolation Guidance, COVID-19 Testing Guidance, and State Public Health Officer Order. These changes impact Cal/OSHA's COVID-19 Prevention Non-Emergency Standards, with respect to isolation of COVID-19 cases and testing of close contacts.

#### A. Infectious and Isolation Time Periods

"Infectious period" for the purpose of cases the Cal/OSHA COVID-19 Prevention Non-Emergency Standards, is now defined as:

- For symptomatic confirmed cases, from the day of symptom onset until 24 hours have passed with no fever, without the use of fever-reducing medications, AND symptoms are mild and improving.
- For asymptomatic confirmed cases, there is no infectious period for the purpose of isolation or exclusion. If symptoms develop, the criteria above will apply.

### **B. Close Contact Testing**

CDPH no longer recommends testing for all close contacts and instead recommends testing only for:

- All people with new COVID-19 symptoms.
- Close contacts who are at higher risk of severe disease or who have contact with people who are at higher risk of severe disease.

COVID guidance has changes frequently over time, and this explained guidance may be superseded at any time by the CDC or the California Department of Public Health.

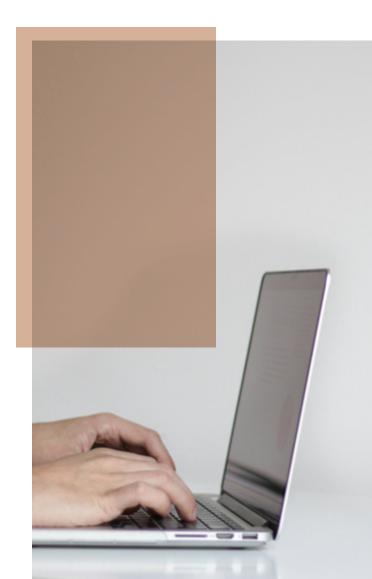
Regardless of CDPH recommendations, employers must continue to make COVID-19 testing available at no cost and during paid time to all employees with a close contact, except for asymptomatic employees who recently recovered from COVID-19.

In workplace outbreaks or major outbreaks, the COVID-19 prevention regulations still require testing of all close contacts in outbreaks, and everyone in the exposed group in major outbreaks. Employees who refuse to test and have symptoms must be excluded for at least 24 hours from symptom onset and can return to work only when they have been fever-free for at least 24 hours without the use of fever-reducing medications, and symptoms are mild and improving.

## Changes to Background Check Process

Existing law stated that employers cannot ask for an applicant's criminal history before giving a conditional job offer. New regulations, effective October 1, 2023, add restrictions, make clarifications, and significantly change the California background check process.

This is an extremely truncated description of this new law. Previously the FCA was interpreted to apply only to applicants or employee seeking a position within the company. The term "applicant" now also includes an employee who undergoes a background check in connection with a change in ownership, a change in management, or a change in policy or practice. The new regulations also expressly indicate that employers may not consider criminal offense information received directly from applicants or employees prior to a conditional offer being made. Then, the employer must follow a



specific process to obtain criminal conviction history after a conditional offer is made. Finally, under the new regulations, employers are prohibited from advertising or including in any recruiting materials that they will not consider applicants with criminal histories.

#### A. Factors That Must be Considered as Part of an Individualized Assessment

If an employer intends to deny an applicant the employment position they were conditionally offered based solely or in part on the applicant's conviction history, the employer must first conduct an individualized assessment – a reasoned, evidence-based determination of whether the applicant's conviction history has a direct and adverse relationship with the specific duties of the job that justify denying the applicant the position.

The new regulations provide an expanded list of factors that must be considered as part of the individualized assessment, including:

- 1. The nature and gravity of the offense or conduct:
  - The specific personal conduct of the applicant that resulted in the conviction;
  - b. Whether the harm was to property or people;
  - C. The degree of the harm (e.g., amount of loss in theft);
  - The permanence of the harm; d.
  - The context in which the offense occurred; e.
  - f. Whether a disability, including, but not limited to, a past drug addiction or mental impairment, contributed to the offense or conduct, and, if so, whether the likelihood of harm arising from similar conduct could be sufficiently mitigated or eliminated by a reasonable accommodation, or whether the disability has been mitigated or eliminated by treatment or otherwise;
  - Whether trauma, domestic or dating violence, sexual assault, stalking, human trafficking, duress, or other similar factors contributed to the offense or conduct; and/or
  - h. The age of the applicant when the conduct occurred.

- 2. The time that has passed since the offense or conduct and/or completion of the sentence:
  - The amount of time that has passed since the conduct underlying the conviction,
     which may significantly predate the conviction itself; and/or
  - b. When the conviction led to incarceration, the amount of time that has passed since the applicant's release from incarceration.
- 3. The nature of the job held or sought:
  - a. The specific duties of the job;
  - b. Whether the context in which the conviction occurred is likely to arise in the workplace; and/or
  - c. Whether the type or degree of harm that resulted from the conviction is likely to occur in the workplace.

If, after conducting an initial individualized assessment, the employer makes a preliminary decision that the applicant's conviction history disqualifies the applicant from the employment that was conditionally offered, the employer shall notify the applicant of the preliminary decision in writing. The written notice to the applicant may, but is not required to, justify or explain the employer's reasoning for making the decision.

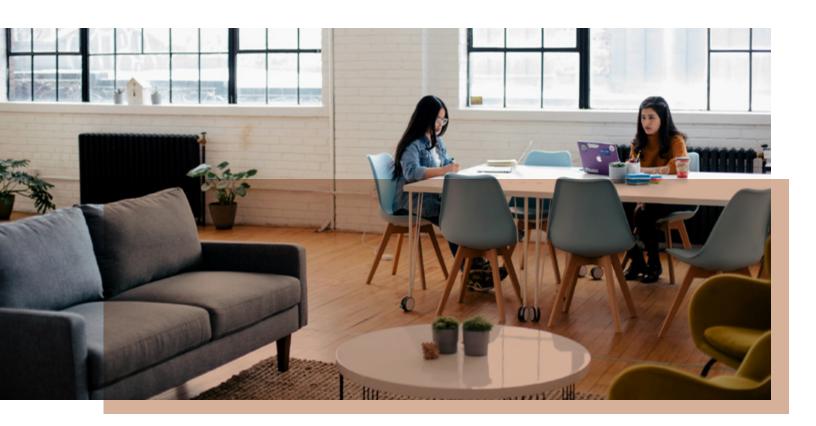
#### **B.** Applicant's Time to Respond

The deadline for providing a response must be at least five business days from the date of receipt of the notice. An employer may offer an applicant more than five business days to respond to the notice regarding its preliminary decision.

#### C. More Expansive List of Evidence of Rehabilitation and Mitigating Circumstances

The new regulations set forth an expanded list of evidence of rehabilitation and mitigating circumstances that employers should consider, including:

- 1. The applicant's current or former participation in self-improvement efforts, including but not limited to, school, job training, counseling, community service, and/or a rehabilitation program, including in-custody programs;
- 2. Whether trauma, domestic or dating violence, sexual assault, stalking, human trafficking, duress, or other similar factors contributed to the offense or conduct;
- The age of the applicant when the conduct occurred;
- 4. Whether a disability, including but not limited to a past drug addiction or mental impairment, contributed to the offense or conduct, and, if so, whether the likelihood of harm arising from similar conduct could be sufficiently mitigated or eliminated by a reasonable accommodation, or whether the disability has been mitigated or eliminated by treatment or otherwise;
- 5. The likelihood that similar conduct will recur;
- 6. Whether the individual the applicant is bonded under a federal, state, or local bonding program;
- 7. The fact that the applicant is seeking employment; and/or
- 8. Successful completion, or compliance with the terms and conditions, of probation or parole.



## Certain COVID Presumptions Regarding Workers' Compensation Coverage Have Expired

The Covid-19 presumptions in Labor Code Sections 3212.86, 3212.87, and 3212.88 – that created rebuttable workers' compensation presumptions for employees, first responders, and health care personnel who contracted COVID-19, as well as required employers to inform their workers' compensation carrier of COVID-19 cases in the workplace – have expired.

## Recall Rights of Certain Workers Displaced by COVID-19 Are Extended

In 2021, California created the right of certain employees to be recalled after being laid off due to COVID-19. This was originally set to expire at the end of 2024. It is now set to expire at the end of 2025.

This right of recall applies to hotels, private clubs with at least 50 rooms offered for lodging to members, event centers with 50,000 square feet or 1,000 seats used for public performances, airport hospitality and service providers, and certain building services (janitorial, security, maintenance).





## The Definition of a Joint Employer Is Expanded

The National Labor Relations Board has determined, in a final rule issued October 26, 2023, that an entity may be considered a joint employer if it shared or co-determines one or more of the other entity's employees' essential terms and conditions of employment. Control that is indirect, reserved, or unexercised can establish joint employment.

A finding of joint employers means that both entities are liable for each other's noncompliance with California employment laws.

## New Option to Provide Unemployment Insurance Materials Electronically

Effective January 1, 2024, you may provide materials related to unemployment insurance benefits, rights, and claims, via email in pdf format, jpeg, or other digital image format, if the employee affirmatively, and in writing, by email or by some form of electronic acknowledgement, opts into receipt of electronic statements or materials.



We hope that you have found this information helpful, and you are welcome to share it with others.

Should you need assistance with employment law matters, the Employment Practices Group with Rimon Law is available to assist you. More information is included below.

Rimon's employment law and executive compensation and benefits attorneys provide global counseling advice, as well as representation in litigation on a range of employment matters.

Read more here.

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