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Summary of Notable California Employment Law Changes For 2024

<u>NEW LAW</u>	<u>DESCRIPTION</u>
Paid Sick Leave Expansion (SB 616)	<ul style="list-style-type: none">• For lump sum policies, increases lump sum to 5 days or 40 hours, whichever is greater (previously 3 days).• For accrual policies, accrual cap must increase to 10 days (80 hours) (previously 6 days or 48 hours).• Limitations on annual use of sick leave increases to 5 days or 40 hours (previously 3 days or 24 hours).
Reproductive Loss Leave (SB 848)	<ul style="list-style-type: none">• Applies to employers with 5 or more employees.• Requires up to 5 days of unpaid leave for reproductive loss event (e.g., failed adoption, failed surrogacy, miscarriage, stillbirth, or unsuccessful assisted reproduction), up to 20 days in a 12-month period.

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Off Duty Use of Cannabis (SB 700)	<ul style="list-style-type: none"> • Prohibits employers, including those in the construction and building trades, from asking job applicants about prior cannabis use. • Supplements AB 2188 which was enacted last year and effective 2024, and prohibits discrimination by employers (except with regard to “employees in building and construction trades”) against employees and job applicants based on off-duty use of cannabis away from workplace and presence of non-psychoactive cannabis metabolites in hair, blood, urine, or other bodily fluids in employer-required screening test. • Exceptions to prohibited discrimination include where federal government background investigation or security clearance required. <p>Expressly does not preempt state or federal law requiring testing.</p>
Presumption of Retaliation (SB 497)	<ul style="list-style-type: none"> • Creates rebuttable presumption of retaliation if employer takes adverse employment action within 90 days of employee engaging in certain protected activity such as filing complaint with the Labor Commissioner.
Workplace Violence Policy (SB 553)	<ul style="list-style-type: none"> • Beginning July 1, 2024, employers required to establish, implement and maintain an effective workplace violence prevention plan. • Can be part of IIPP. • Limited exclusions for certain small businesses (non-public locations with less than 10 employees) and self-selected location of remote workers.
COVID-19 Layoff Rights (SB 723)	<ul style="list-style-type: none"> • Recall rights for employees in hospitality and service industry laid off due to COVID-19 extended from December 31, 2024, to December 31, 2025. • Creates presumption that separation due to lack of business, reduction in force, or other economic, non-disciplinary reason was COVID-19 related.

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<u>NEW LAW</u>	<u>DESCRIPTION</u>
Increase To California State Minimum Wage	<ul style="list-style-type: none"> On January 1, 2024, California’s minimum wage will increase to \$16.00 per hour regardless of employer size. Minimum salaries for California’s white-collar exemptions, which must be equivalent to “no less than two times the state minimum wage for full-time employment”, will also increase. Employers should also check local minimum wage laws and contract requirements as many require higher hourly rates.
Minimum Wage – National Fast Food Chains (AB 1288)	<ul style="list-style-type: none"> Law applies to “National Fast Food Chain” (see RJO article for definition). Creates Fast Food Council which may adjust minimum wage for affected employees starting 1/1/25 Raises minimum wage for applicable employees to \$20 per hour starting April 1, 2024.
Minimum Wage – Healthcare Workers (SB 525)	<ul style="list-style-type: none"> Applies to health care facilities such as hospitals, clinics, home care agencies, and residential care facilities (non-exclusive list). Beginning June 1, 2024, initial minimum wage for affected employees will range from \$18 per hour to \$23 per hour depending on type of facility.
Food Handler Cards – Cost (SB 476)	<ul style="list-style-type: none"> Employer to bear costs to get food handler card including paying for time spent to complete food handler training and exams. Prohibits employers from requiring applicants to have a pre-existing food handler card.
Construction: Licensing Board Limitations on Independent Contractors (AB 1204)	<ul style="list-style-type: none"> Prohibits a licensed specialty contractor (as defined by Business and Professions Code section 7058) from subcontracting with more than one contractor in the same license classification on the same single project or undertaking, <i>unless the subcontractor uses workers who are classified as employees who perform the work in the relevant classification, or if the specialty contractor is a signatory to a bona fide collective bargaining agreement.</i>
Disclosure of Disaster Area to Employees (AB 636)	<ul style="list-style-type: none"> Employers must include information in Wage Theft Protection Act Notice about the existence of a federal or state emergency or disaster declaration applicable to the county or counties where the employee is to be employed, that was issued within 30 days before the employee’s first day of employment, that may affect their health and safety during their employment.

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	<ul style="list-style-type: none"> • Other specific notices required for employees working pursuant to H-2A visa program.
<p>Non-Compete Agreements (SB 699 and AB 1076)</p>	<ul style="list-style-type: none"> • Makes non-compete agreements that do not satisfy an exception to California’s Bus. & Prof. Code 16600 void and unenforceable regardless of where the agreement was executed or where employment is maintained. • Creates private right of action against an employer entering into or attempting to enforce a non-compete agreement that doesn’t meet an exception. Makes requiring employee to sign such a non-compete unlawful. • Requires notice to current employees or former employees who were employed after January 1, 2022 and entered into a non-compete that does not satisfy an exception that such agreement is void. Notice must be sent by February 14, 2024, to employee’s last known address and email.
<p>Arbitration (SB 365)</p>	<ul style="list-style-type: none"> • Stay of trial court action no longer mandatory when appealing decision denying arbitration.