



Highlights of New California Laws – 2024

| Bill No. | Summary | Recommended Next Steps? |
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| GENERAL EMPLOYMENT LAWS | | |
| SB 3 | <p>State Minimum Wage: Although SB 3 is not a “new” bill this year, it has a provision requiring an automatic increase in the minimum wage for any increase in inflation over 7%, as determined by the CPI. As a result, the State’s minimum wage is increasing to \$16.00/hour for all employers (regardless of size). The minimum exempt employee salary (i.e., professional, administrative, executive) is increasing to \$66,560/year.</p> <p>Effective Date: January 1, 2024</p> | <ul style="list-style-type: none"> • Budget/ prepare to comply with new minimum wage (and minimum exempt salary) amounts. • Expect updates to minimum wage workplace posting. |
| AB 2188 | <p>Cannabis Use Rights: Prohibits employers from discriminating or taking adverse action against a person for using cannabis (marijuana) while off the job and away from the workplace. The law does not permit an employee to possess or be impaired by cannabis while on the job, or interfere with employer rights to maintain a drug-free and alcohol-free workplace.</p> <p>The law also prohibits employer drug testing for <i>non-psychoactive</i> cannabis metabolites – which indicates past marijuana usage off the job. Employers are still permitted to test and take adverse action based on <i>THC-positive</i> testing (i.e., psychoactive components) – which indicates recent marijuana usage – including for pre-employment drug testing.</p> <p>The law does not apply to employees in the building and construction trades, federal government direct or contract positions, any position that requires federal background and clearance checks.</p> <p>Effective Date: January 1, 2024 (Signed: September 18, 2022)</p> | <ul style="list-style-type: none"> • Update drug testing practices/related policies by January 1, 2024 for employees who fall under the new protections. • Determine whether company will opt for oral fluid or other compliant testing method, or just not test for cannabis. Apply policy consistently. |



Highlights of New California Laws – 2024

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| SB 700 | <p>Cannabis-Use History: Makes it unlawful for an employer to request information from an applicant regarding their prior use of cannabis. Clarifies that an employer may consider prior cannabis use obtained from the person’s <i>criminal history</i>, so long as the employer adheres to the rules regarding consideration of criminal history under Government Code section 12952 (“Fair Chance Act”).</p> <p>Effective Date: January 1, 2024 (Signed: October 7, 2023)</p> | <ul style="list-style-type: none">• Update onboarding practices as needed and train managers. |
| SB 699 | <p>Non-Compete Agreements: California Business and Professions Code section 16600 provides that every contract that restrains anyone from engaging in a lawful profession, trade, or business of any kind is void, subject to limited exceptions. As such, “non-compete” agreements are not enforceable in California.</p> <p>SB 699 expands on these protections by creating a private right of action for violations, including attorney’s fees, for prospective, current, and former employees. Employers may now face civil action if they entered into void non-compete agreements or attempted to enforce a void agreement. These protections apply regardless of where and when the contract was signed, including if the employment was maintained <i>outside of California</i>.</p> <p>Effective Date: January 1, 2024 (Signed: September 1, 2023)</p> | <ul style="list-style-type: none">• Consult legal counsel if you believe your company has entered into any void non-compete agreements.• Audit your employment agreements and policies for California employees, as well as those working for you out of state. |
| AB 1076 | <p>Non-Competes Void Notice: Employers must send a written, individualized communication to all current and former employees who were employed after January 1, 2022 and entered into a non-compete clause or agreement (not subject to an exception). The agreement must notify the employee the clause and/or agreement is void, and it must be sent to their</p> | <ul style="list-style-type: none">• Review contractual agreements on file for anyone employed after January 1, 2022.• Send required notices by February 14, 2024 via mail and email. |



Highlights of New California Laws – 2024

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| | <p>last known address and email address by <u>February 14, 2024</u>.</p> <p>Violations constitute an act of unfair competition under the Business and Professions Code.</p> <p>Effective Date: January 1, 2024 (Signed: October 13, 2023)</p> | |
| SB 497 | <p>Retaliation Presumption: Would mandate that Labor Commissioner’s office and state courts assume employers are illegally retaliating if they take certain disciplinary actions against a worker who made a wage claim or complaint about equal pay in the 90 days prior.</p> <p>Employers would be able to rebut the assumption by showing there is a legitimate, non-retaliatory reason for the employee discipline.</p> <p>Effective Date: January 1, 2024 (Signed: October 8, 2023)</p> | <ul style="list-style-type: none"> • Consult legal counsel if need to take adverse action following employee wage claim or complaint about equal pay. |
| LEAVES & BENEFITS LAWS | | |
| SB 616 | <p>Mandatory PSL Expanded: Increases the annual amount of California paid sick leave from three days or 24 hours, to five days or 40 hours for eligible employees. Annual usage cap also set at five days or 40 hours.</p> <p>For employers who use an accrual method, the cap on sick leave is increased from 48 hours or six days, to 80 hours or 10 days.</p> <p>SB 616 also changes rules for the alternative accrual method. As a reminder, rather than one hour for every 30 hours worked, the alternative method guarantees 24 hours of accrued paid sick leave by the 120th calendar day of employment. Now, the alternative method must also guarantee at least 40 hours of paid sick leave by the 200th calendar day of employment, and 40 hours per year.</p> | <ul style="list-style-type: none"> • Update PSL policies and request form(s). • Work with your payroll provider to update PSL banks and amounts listed on wage statements. • Expect updates to Paid Sick Leave Poster. • Provide non-exempt employees with updated wage theft/LC 2810.5 notice reflecting new PSL amount • As always, check local ordinances as well. |



Highlights of New California Laws – 2024

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| | <p>Effective Date: January 1, 2024 (Signed: October 4, 2023)</p> | |
| <p>SB 848</p> | <p>Reproductive-Related Bereavement Leave: Requires employers with five or more employees to provide five days of leave for a “reproductive loss event.” “Reproductive loss event” means the day or, for a multiple-day event, the final day of a failed adoption, failed surrogacy, miscarriage, stillbirth, or an unsuccessful assisted reproduction.</p> <p>Like the existing bereavement leave law:</p> <ul style="list-style-type: none"> • Employees get up to five days for each qualifying event (separate from CFRA/FMLA); • They have three months from the date of the qualifying event to use the leave (exception: <i>unless they are out or choose to go on another protected leave – e.g., CFRA/FMLA – which extends the time to use this leave from three months from the end date of their other leave!</i>). • Leave days need not be consecutive. • The leave is unpaid, but an employee may use other leave balances available, including paid sick leave. • Employees are entitled to confidentiality protections. <p>Unlike existing bereavement leave, however:</p> <ul style="list-style-type: none"> • Employers are not permitted to request certifying documentation. • Employers may limit to 20 days of leave in a 12-month period. <p>Effective Date: January 1, 2024 (Signed: October 10, 2023)</p> | <ul style="list-style-type: none"> • Update bereavement leave and affected policies. |
| | WORKPLACE SAFETY | |
| <p>SB 553</p> | <p>Workplace Violence Prevention Standard: All employers, subject to few exceptions, must establish, implement, and maintain an effective</p> | <ul style="list-style-type: none"> • Prepare written WVPP by July 1, 2024 • Train employees on WVPP by July 1, 2024 |



Highlights of New California Laws – 2024

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| | <p>workplace violence prevention plan (WVPP), by July 1, 2024.</p> <p>The WVPP has a number of requirements, including:</p> <ul style="list-style-type: none"> • Training on workplace violence hazards, • Maintenance of a violent incident log, • Periodic reviews of the WVPP. <p>Those not subject to the requirements include:</p> <ul style="list-style-type: none"> • Teleworking employees, • Places of employment with fewer than 10 employees at any given time and not accessible to the public (with a compliant IIPP), • Healthcare facilities (already covered in their own standard), • Dept. of Correction and Rehabilitation facilities, • Law enforcement agencies. <p>Requires Cal/OSHA by December 1, 2025, to propose standards for the WVPP, and by December 31, 2026, for the Standards Board to adopt such standards.</p> <p>Effective Date: <i>For most relevant portions</i> July 1, 2024 (Signed: September 30, 2023)</p> | <p>and annually thereafter.</p> <ul style="list-style-type: none"> • Prepare to comply with new inspection, violent incident log, and record retention requirements. |
| <p>AB 2693</p> | <p>COVID Reporting Requirements: Employers have been required to provide workers notice of a COVID-19 case within one business day. This requirement expires as of January 1, 2024. (Note: Employers must still notify employees who meet the definition of “close contact.”)</p> | <ul style="list-style-type: none"> • Continue following requirements in COVID-19 Prevention Plan. |
| <p>AB 1751</p> | <p>COVID Workers’ Compensation: Employers have been required to report to their workers comp claims administrator of positive COVID cases. For most employers, there has been a presumption of workers comp eligibility during an “outbreak” as defined. These requirements expire as of January 1, 2024.</p> | <ul style="list-style-type: none"> • Continue following requirements in COVID-19 Prevention Plan. |



Highlights of New California Laws – 2024

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| <p>AB 636</p> | <p>Wage Theft Prevention Notice: Labor Code section 2810.5 requires employers to provide the Wage Theft Prevention Notice containing certain specified information. AB 636 additionally requires employers to provide information about 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 Labor Commissioner will provide a template notice.</p> <p>Additionally, employers will be required to provide information about rights and protections under California law to H-2A farmworker employees.</p> <p>Effective Date: January 1, 2024 (Signed: October 8, 2023)</p> | <ul style="list-style-type: none">• Update onboarding process to check for any applicable emergency or disaster declarations for counties in which employee will be employed.• Expect new Notice from DIR.• Update this Notice in your onboarding/hiring process and whenever info on this Notice changes.• Notify employees as applicable, using updated Wage Theft Prevention form in the language the employer normally uses to communicate employment-related information to the employee. |
| INDUSTRY SPECIFIC LAWS | | |
| <p>AB 1228 AB 257 <i>Repealed</i></p> | <p>Fast Food Chains: In an agreement between labor and fast-food companies, the FAST Act (AB 257) has been repealed, but replaced with other terms under AB 1228. Applies to all limited-service restaurants that are part of chains with over 60 locations. There are exceptions for qualifying bakeries and grocery stores.</p> <p>Terms include:</p> <ul style="list-style-type: none">• As of April 1, 2024, all covered businesses must pay a minimum wage of \$20/hour.• The Fast Food Council will be established under the DIR, which includes authority to set work standards and adjust the hourly minimum wage each year, subject to caps. | <ul style="list-style-type: none">• Budget for any minimum wage increases• Consult counsel if you are unsure whether your business is covered under the law. |



Highlights of New California Laws – 2024

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| | <ul style="list-style-type: none"> Local municipalities will not be able to set higher minimum wage specific to fast food employees than what is mandated by the Fast Food Council. Fast food franchisers will not share in liability for a franchisee’s civil violations (provision removed from AB 1228). The Industrial Welfare Commission will not be revived, which would have been able to pass regulations on fast food and other industries. <p>Effective Date: January 1, 2024 (Signed: September 28, 2023)</p> | |
| <p>SB 476</p> | <p>Food Handler Cards: California requires food handlers in restaurants to obtain certification cards. As of January 1, 2024, employers must now pay for all associated costs for an employee to obtain a food handler card (in the event they do not already have a current/valid card.) This includes all of the following:</p> <ul style="list-style-type: none"> Cost of certification training. Must be through the American National Standards Institute (ANSI) – the only accredited training provider. Cost of testing and any other element required for obtaining certification. Time it takes for employee to complete the training (i.e., compensable time). Employers must relieve employees of all other work duties during the training/testing. <p>The law prohibits employers from conditioning employment on an applicant or employee having an existing food handler card.</p> <p>Effective Date: January 1, 2024 (Signed: October 8, 2023)</p> | <ul style="list-style-type: none"> Update policies and onboarding practices accordingly. Review job postings/applications to ensure having a food handler card is not a listed requirement. |
| <p>SB 525</p> | <p>Health Care Minimum Wage: Creates a comprehensive minimum wage scheme for “covered healthcare employees,” with 5 different schedules depending on how a facility</p> | <ul style="list-style-type: none"> Consult legal counsel regarding coverage and waiver questions. |



Highlights of New California Laws – 2024

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| | <p>is classified. Classification is based on a number of factors, including facility size, type, location, and governmental payor-mix percentage. Initially, minimum wages range from \$18/hour to \$23/hour by June 1, 2024, with set future increases thereafter.</p> <p><u>Before January 1, 2025</u>, employers will have the ability to challenge the accuracy of the classification of covered health care employers according to the numbers of full-time equivalent employees, system affiliation, payor mix, and any other relevant information with the California Department of Health Care Access and Information.</p> <p>The DIR will also offer waivers for select employers.</p> <p>Effective Date: January 1, 2024 (Signed: October 13, 2023)</p> | |
| AB 647 | <p>Grocery Employers: Changes to recall rights for grocery workers when there is a change of control. Existing law establishes grocery worker retention provisions requiring the buyer of an existing grocery store to retain employees for a 90-day transition period during which an employee may only be discharged for cause, as specified, and considered for continued employment at the end of the transition period.</p> <p>The definition of “grocery establishment” includes a “distribution center owned and operated by a grocery establishment and used primarily to distribute goods to and from its owned stores,” regardless of its square footage. Excluded from the definition a retail store that ceased operations for 12 months or more.</p> <p>Effective Date: January 1, 2024 (Signed: October 8, 2023)</p> | |



Highlights of New California Laws – 2024

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| | <ul style="list-style-type: none">• The definition of “applicant” includes not only a candidate for employment, but also employees applying for internal positions (or those indicating a desire to be considered for a different position).• Even if an employee makes a voluntary disclosure re: criminal history, employers cannot consider it until after making a conditional job offer.• Expanded upon factors to consider for the individualized assessment.• Expanded upon examples of mitigating/rehabilitative evidence employers must consider.• Provided guidance on how to handle Work Opportunity Tax Credits. | |
| NLRB | <p>The NLRB has issued a number of decisions recently, impacting all employers whether unionized or not. Some key ones include:</p> <ul style="list-style-type: none">• New <i>Stericycle</i> Standard for Policies and Handbooks: A challenged workplace rule will be presumed unlawful if the NLRB General Counsel proves that rule has a reasonable tendency to chill employees’ exercise of their rights. The employer may rebut that presumption by proving that the rule advances a legitimate and substantial business interest and cannot advance that interest with a more narrowly tailored rule. If the employer makes their case successfully, the rule will be found lawful to maintain.• New <i>Lion Elastomers</i> Standard for Misconduct: In <i>Lion Elastomers LLC II</i>, the Board reversed its 2020 ruling in <i>General Motors LLC</i>, and returned to “various setting-specific” standards for determining when discipline or discharge is lawful for employee misconduct during otherwise protected | <ul style="list-style-type: none">• Update employee handbooks and policies to conform to new NLRB standards.• Review employment agreements with legal counsel.• Attend CEA’s Nov. 8 2023 webinar. |



Highlights of New California Laws – 2024

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| | <p>concerted activity under Section 7 of the NLRA. The Board held that to “fully protect employee rights, conduct during protected concerted activity must be evaluated in the context of that important activity—not as if it occurred in the ordinary workplace context.”</p> <ul style="list-style-type: none"> • Non-Competes/Non-Solicitation: The current position of the NLRB General Counsel is that non-compete agreements, as well as employee and customer non-solicitation agreements, violate the NLRA. | |
| <p>Cal/ OSHA</p> | <p><u>Proposed</u> Indoor Heat Illness Regulation: Would require an indoor heat illness plan to address temperatures above 82 degrees in indoor spaces.</p> <p>California has an existing outdoor heat illness regulation and the indoor regulations would be similar.</p> <p>Plan requirements include:</p> <ul style="list-style-type: none"> • Access to “fresh, pure, suitably cool and free of charge” potable water. The water would need to be as close as practicable to areas employees are working. • Cool-down areas for recovery or rest periods located “as close as practicable to areas employees are working” • Requirement to monitor temperature and heat index and keep records • Involve employees (and union representatives when applicable) in monitoring temperatures and identifying and evaluating risk factors for heat illness • The use of engineering controls to reduce the temperature • The use of administrative controls to minimize the risk of heat illness | <p><i>IF the regulation is adopted, employers will be required to:</i></p> <ul style="list-style-type: none"> • Create an indoor heat illness prevention plan • Integrate acclimatization into onboarding/new hire procedure • Designate cool-down areas • Training requirements for employees |



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Highlights of New California Laws – 2024

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| | <ul style="list-style-type: none">• Implementing emergency response procedures• Requirement to acclimatize employees with a requirement to observe employees during their first 14 days of employment and during work involving wearing clothing that restricts heat removal. <p>Effective Date: Pending – board will vote in 1st quarter of 2024 so regulations would be in place Summer 2024 at the earliest</p> | |
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