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CALIFORNIA RINGS IN THE NEW YEAR WITH NEW LAWS FOR EMPLOYERS

Effective January 1, 2021, several new employment laws will go into effect for employers located in California.

Law	Topic	Summary
SB 1383	CFRA Expansion	Expands the California Family Rights Act (CFRA) coverage to employers of 5 or more employees and expands categories of family members covered by CFRA leaves (More on this critical development below).
AB 685	COVID-19 Notification	Allows the state to track COVID-19 cases in the workplace more closely. Expands Cal/OSHA's authority to issue Stop Work Orders for workplaces that pose a risk of an "imminent hazard" relating to COVID-19. Requires notice in the event of a COVID-19 exposure in the workplace, including providing written notice to "all employees" who were at the worksite within the infectious period who may have been exposed to the virus.
SB 973	Pay Data Reporting	Requires businesses with 100 or more employees to report pay data for various categories of employees to the Department of Fair Employment and Housing.
AB 2992	Protected Time Off – Crime Victims	Expands leave for victims of domestic violence, sexual assault, or stalking to include leave for the victim of any crime that caused physical injury or mental injury with a threat of physical injury.
AB 1963	Mandated Child Abuse Reporting for Human Resources	Designates Human Resources professionals who work for businesses that employ minors, and employ five or more employees, as mandated child abuse reporters. Such persons must be given mandated reporting training, and a written statement describing their obligations.
AB 2399	FTDI for Family Member Military Service	Expands Family Temporary Disability Insurance (FTDI) program to include absences due to military service of family member.
AB 979	Diversity in Corporate Boards	Requires that a publicly traded corporation with a principal executive office in California appoint members of underrepresented communities to the Board of Directors.
AB 1512	Rest Breaks for Union Security Guards	Allows employers to require that security guards covered by collective bargaining agreements, and paid at least one dollar more than minimum wage, remain on premises and on call during rest breaks.

Please contact us to ensure that your policies and practices will be compliant with these new laws.



THE CFRA EXANSION IMPACTS ALL EMPLOYERS

The most significant change may be the expansion of the California Family Rights Act (CFRA), as the changes impact employers of all sizes. Previously, the CFRA applied only to employers with 50 or more employees. Pursuant to [SB 1383](#), the CFRA now applies to all employers with 5 or more employees. Employers with 49 or less employees should implement compliant CFRA policies and procedures before the New Year.

[SB 1383](#) also makes numerous changes to the CFRA which impact larger employers. The legislation expands categories of family members covered by CFRA leaves, expands the reasons CFRA leave is available, expands child bonding leave requirements, and eliminates the highly compensated employee exception. Employers with 50 or more employees should update their existing policies and practice before the New Year.

CHANGES TO MINIMUM WAGE RATES AND EXEMPT SALARY REQUIREMENT

California state's minimum wage will increase on the New Year to \$13.00 an hour for employers with fewer than 26 employees, and \$14.00 an hour for employers with 26 or more employees. In addition to the statewide minimum hourly wage requirement, many employers are subject to local minimum hourly wage ordinances in the cities where their employees perform work. Employers must always pay the highest rate applicable in the area where employees are performing work. The following cities will see increases to the minimum hourly wage effective January 1:

Location	2020 Rate	2021 Rate
Belmont	\$15.00	\$15.90
Burlingame	State Rate	\$15.00
Cupertino	\$15.35	\$15.65
Daly City	\$13.75	\$15.00
El Cerrito	\$15.37	\$15.61
Los Altos	\$15.40	\$15.65
Menlo Park	\$15.00	\$15.25
Mountain View	\$16.05	\$16.30
Novato	\$15.00	\$15.24
Oakland	\$14.14	\$14.36
Palo Alto	\$15.40	\$15.65
Petaluma	\$15.00	\$15.20
Redwood City	\$15.38	\$15.62
San Diego	\$13.00	\$14.00
San Jose	\$15.25	\$15.45
San Mateo	\$15.38	\$15.62
Santa Clara	\$15.40	\$15.65
Sonoma	\$13.50	\$15.00
South San Francisco	\$15.00	\$15.24
Sunnyvale	\$16.05	\$16.30

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Because the minimum salary requirement for exempt employees tracks the state minimum hourly wage, the salary requirement will increase on January 1 each year until 2023, depending on the size of the business. Thereafter, the salary requirement will increase annually based on changes to the CPI:

Year	Small Business Rate (25 or fewer)	Large Business Rate (26 or more)
2020	\$49,920	\$54,480
2021	\$54,480	\$58,240
2022	\$58,240	\$62,400
2023	\$62,400	Based on CPI

Employers seeking guidance on complying with minimum exempt salary requirements, including how to notify employees, how to count employees to determine the applicable rates, and whether exemptions to the minimum wage could apply, should contact counsel prior to January 1.

HARASSMENT TRAINING DEADLINE APPROACHES FOR EMPLOYERS WITH 5 OR MORE EMPLOYEES

Employers may recall that implementation of [SB 778](#), a bill that was to expand harassment training requirements for employees effective January 1, 2020, was postponed by Governor Newsom last year, giving employers until January 1, 2021 to comply. By the New Year, employers must comply with the following training requirements:

Number of Employees	Continued Training Requirements	Additional Training Requirements
50 or more	Two hours of training to supervisors within six months of being hired or promoted to a supervisory position, and every two years thereafter Training to seasonal, temporary, and other employees hired to work for less than six months within either the first 30 days after hire or 100 hours worked, whichever occurs first (length of training dependent on whether employee is a supervisor or non-supervisor)	One hour of training to all non-supervisory employees within six months of being hired, and every two years thereafter
5 or more	Training to seasonal, temporary, and other employees hired to work for less than six months within either the first 30	Provide two hours of training to supervisors within six months of being hired or promoted



	<p>days after hire or 100 hours worked, whichever occurs first (length of training dependent on whether employee is a supervisor or non-supervisor)</p>	<p>to a supervisory position, and every two years thereafter Provide one hour of training to all non-supervisory employees within six months of being hired, and every two years thereafter</p>
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Depending on how it is handled, implementation of these training requirements can implicate other wage and hour issues including overtime, business expense reimbursement, reporting time pay, and split shift premiums. Employers should contact counsel for advice on how to avoid overpaying employees for training time. Our firm provides interactive, in-person training for both supervisory and non-supervisory employees that is tailored to the employer and industry. Please contact us for details and any questions related to the implementation of the harassment training guidelines.

The purpose of our Employment Law Update is to inform clients and interested parties of recent developments in employment law. It should not be regarded as a substitute for comprehensive legal advice.