



KEY POINTS FOR EMPLOYERS AND SMALL BUSINESSES

As of January 1st, 2020, the statewide minimum wage in California is \$12 per hr.

WHAT POSTERS ARE EMPLOYERS REQUIRED TO POST?

Required Labor Posters: State Guide. **Employers are required** to post summaries of applicable state and federal labor and **employment** laws where they are clearly visible to employees, often in the break room or employee cafeteria. They can be purchased at Costco Business store or California Chamber of Commerce (link on our website).

EMPLOYEE HANDBOOK

Though there are many **laws** requiring employers to notify **employees** of certain workplace rights, there are no federal or state **laws** specifically requiring an employer to have an **employee handbook**—and plenty of employers choose not to have one. While there is no law requiring you to set up and use an employee handbook/policies and procedures manual, it's a smart thing to do. When you hire a new employee, give him or her a copy of the handbook (signing that the handbook was received). It's a lot easier to prepare a handbook now than deal with "how do we handle this?" issues, misunderstandings, and possible lawsuits later. One employee handbook source is <https://store.calchamber.com/>

ACCOUNTABLE vs NON-ACCOUNTABLE PLANS

Accountable plan – Employee turns in receipts. Reimburse employee by adding to their net pay. NOT TAXABLE

Non-accountable plan – No receipts. Give employee a flat amount each week. TAXABLE

WORKERS' COMPENSATION

If you have employees, you are required by law to have workers' compensation insurance coverage. California also requires companies who have sole proprietors/independent contractors to add them to workers' compensation if they don't carry it themselves. We are seeing a rise in workers' compensation audits.

Protecting your business:

To protect your business, make sure that any independent contractor you hire provides a certificate of insurance for his own business practice. Even a sole proprietor should maintain appropriate bonds and insurance. As a business owner, there are two areas of concern: workers' compensation and general liability. These are two different types of business policies. Workers' compensation will ensure that the contractor and anyone the contractor brings to work on your contract is covered for any injury or illness during work. General liability protects you from any liability the contractor may have created. Failure to do so is a crime and may result in penalties and closure of your business.

For more information contact your insurance agent or you can contact Division of Workers' Compensation at 1-800-736-7401 or visit www.dir.ca.gov

CALIFORNIA SICK LEAVE COMPLIANCE CHECKLIST

To be compliant with new and existing sick leave requirements in California, here's a checklist of what you need:

1. Provide at least three days (24 hours) of paid sick leave to each eligible employee per year.
2. Decide how you'll calculate, track, and report each employee's sick leave balance.
3. Provide a written copy of your sick leave policy to employees at time of hire.
4. [Display a poster](#) explaining your sick leave policy.
5. Show how many days of sick leave employees have available, either on their pay stub or a document issued the same day as their paycheck.
6. Keep records of hours earned and used for a period of three years.

MEAL BREAK & REST BREAK LAW IN CALIFORNIA

Under California wage and hour law, **non**-exempt employees must receive a thirty (30) minute lunch or meal break if they work more than five (5) hours in a day. Employees who work more than ten (10) hours in a day are entitled to a second 30-minute meal break. A (10) minute paid rest period must be given for every four hours worked. Rest breaks must be given as close to the middle of the four-hour work period as is practicable. Working through your rest period does not entitle you to leave work early or arrive late

OVERTIME LAWS IN CALIFORNIA

Overtime Requirements in California:

- More than 8 hours in a daytime is time and a half
- More than 40 hours in a work week is time and a half
- Seventh consecutive day in a work week is time and a half
- More than 12 hours in a workday is double time
- More than 8 hours on the seventh consecutive day in a work week is double time
- *Time and a half means* one and one-half times the employee's regular rate of pay.
- *Double time* means twice the employee's regular rate of pay.

VACATION PAY LAWS IN CALIFORNIA

Under California labor laws, employers are not required to give vacation time. However, if you do provide vacation time, you cannot take vacation time away and must pay for unused vacation time upon termination. If you fail to reimburse your employee for vacation time, they may be able to recover compensation by filing a claim or lawsuit.

You can find more information on www.dir.ca.gov or www.edd.ca.gov