

TYPES NOT MAPPED YET December 23, 2015 | TTR not mapped yet | John L. Viola

California employers: Are you ready for 2016?

The California Legislature has been busy throughout 2015 enacting new laws as holiday “gifts” for California employers. Here are 5 things to look out for in 2016.

1. Minimum Wage Increase

Effective January 1, 2016, the California state minimum wage will increase from \$9.00 per hour to \$10.00 per hour. Note that certain California cities have higher minimum wage rates (San Francisco: \$13.00/hour; San Jose: \$10.30/hour). If an employee’s rate of pay will increase on January 1, 2016 due to the minimum wage increase, you must provide the employee with notice by January 7, 2016, pursuant to Labor Code §2810.5.

2. Exempt / Non-Exempt

Effective January 1, 2016, the minimum California salary requirements for the “white collar” exemption will increase to \$3,466.67 per month or \$41,600 annually from the current \$3,120.00 per month or \$37,440 annually. (Computer software professionals must be paid a minimum of \$41.85 per hour or \$87,185.14 per year to be considered exempt.)

3. Fair Pay Act

Pursuant to Labor Code § 1197.5, men and women must receive equal pay for substantially similar work even if they work in different locations. If there are disparities in pay, the employer has the burden of proving that the disparity is justified by factors such as education, training, experience, seniority, merit or production.

4. Prohibitions on Using “E-Verify”

Labor Code § 2814 restricts employers’ ability to use the federal E-Verify system to verify that workers they hire are authorized to work in the United States. The law prohibits employers from using E-Verify at a time or in a manner not required by federal law to check the employment authorization status of an existing employee or of an applicant who has not received an offer of employment.

5. Piece-Rate Compensation

Labor Code § 226.2 sets forth new rules for employers with piece-rate employees (such as auto mechanics paid by the number of services they perform, farm workers paid by the volume of crops they pick, etc.). Under the new law, employers must pay piece-rate workers for rest and recovery periods and other non-productive time (i.e., where the employee is idle or performing non-piece rate tasks) at specified minimum hourly rates, separate from the piece-rate compensation. In addition, specific information such as the total hours of compensable rest and recovery periods must be included on piece-rate employees’ itemized wage statements.

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