

## insights

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# Employers: Are you ready for new California HR laws in 2020?

Even while fires rage throughout the State, the California legislature has been busy throughout 2019 enacting a host of new employment laws. Here are seven things to look out for in 2020:

### Restrictions on arbitration

Labor Code § 432.6 prohibits employers from requiring an applicant or employee to sign an arbitration agreement as a condition of employment. The new law also prohibits retaliation against applicants or employees who refuse to sign arbitration agreements. It is expected that challenges to this new law will be made on the grounds that it is preempted by the Federal Arbitration Act. Stay tuned.

### Longer statute of limitations on discrimination and harassment claims

Employees will have three years, instead of one year, to file claims for discrimination, harassment or retaliation with the Department of Fair Employment and Housing. The one-year statute of limitations for filing a civil action after the employee files a FEHA complaint remains the same.

### Prohibition on “no rehire” clauses

Employment settlement agreements may no longer include a “no rehire” provision, unless the employer has determined in good faith that the employee engaged in sexual harassment or assault.

### The “ABC” test

California has codified the “ABC” test set forth in the California Superior Court’s [2018 decision](#) in *Dynamex v. Superior Court* for determining whether a worker is an “employee” or “independent contractor” under California employment law. There are several exemptions for various groups of workers, however. This new law also is expected to be challenged.

### Lactation accommodation

Employers must develop, implement and make available a lactation accommodation policy. Lactation rooms must not be a bathroom and must have electricity, a sink, a refrigerator, a place to sit and a surface for a breast pump and personal items.

### Hairstyles

The definition of “race or ethnicity” under the Fair Employment and Housing Act has been expanded to include hair texture and protected hairstyles, including “braid, locks and twists.”

### Minimum wage increase

Although not part of the 2019 legislation, effective January 1, 2020, the California state minimum wage will increase to \$13.00 per hour for employers with 26 or more employees and \$12.00 per hour for employers with fewer than 20 employees.

Note that certain California cities have higher minimum wage rates:

- Los Angeles, \$14.25/per hour for employers with 26 or more employees;
- San Francisco, \$15.59/per hour; and



- San Jose, \$15.00/per hour.

If an employee's rate of pay will increase on January 1, 2020 due to the minimum wage increase, employers must provide the employee with notice by January 7, 2020, pursuant to Labor Code § 2810.5.

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