



NEW CALIFORNIA LAWS EFFECTIVE 1/1/23

As the end of the year draws near, California legislators have been busy passing new regulations that will impact employers statewide. As you prepare for 2023, here are some noteworthy laws that will take effect on January 1st.

1. Minimum Wage and Salary Threshold Increases

The pay thresholds for both non-exempt and exempt employees will be increasing as follows:

Date	Employers with 25 or fewer employees		Employers with 26 or more employees	
	Hourly (Non-exempt)	Salary (Exempt)	Hourly (Non-exempt)	Salary (Exempt)
1/1/2020	\$12.00	\$49,920	\$13.00	\$54,080
1/1/2021	\$13.00	\$54,080	\$14.00	\$58,240
1/1/2022	\$14.00	\$58,240	\$15.00	\$62,400
1/1/2023	\$15.50	\$64,480	\$15.50	\$64,480

*check local ordinances; some cities/counties may have higher rates

Important to note: Small and large employers will no longer have separate pay distinctions. To our clients for whom we process payroll, your HR Consultant will be sending additional information on whether your company will be impacted and, if so, which employees will be affected.

2. Expansion of Pay Data Reporting & Required Pay Scales on Job Postings (SB 1162):

- **Pay Data Reporting** (Emplicity provides this service for PEO clients):
 - All private employers with 100 or more employees must file pay data reports, regardless of whether they are required to file a federal EEO-1 with the EEOC.
 - The report submittal date changes from March each year to the second Wednesday of May.

- The report must include the median and mean hourly rates within each job category by race, ethnicity, and sex.
 - Employers with 100 or more employees hired through labor contractors must file a separate pay data report covering those employees.
 - The legislation establishes significant civil penalties for failure to submit pay data reports.
 - Please contact your HR Consultant should you receive any requests for wage information from CA agencies.
- **Pay Scale Transparency on Job Postings and in the Workplace:** In an effort to promote pay equity, employers with 15 or more employees must include pay scale information in any job postings and provide an employee's pay scale for their position upon request.
 - Please reach out to your HR Consultant should you need further guidance.
3. **Bereavement Leave (AB 1949):** Employers with 5 or more employees must allow employees to take up to 5 days of **unpaid** bereavement leave in the event of a family member's death. Employees can use their available leave time (Ex. vacation, sick, PTO, etc.) to supplement the time off.
 4. **CFRA Expanded to Care for "Designated Person" (AB 1041):** Employees of organizations with 5 or more employees can take job-protected leave (CFRA or Paid Sick Leave) to care for a "designated person," which includes any individual related by blood or is the "equivalent of a family member." Employers can limit employees to one designated person per 12-month period.
 5. **Emergency Conditions: Retaliation Restriction (SB 1044):** In "emergency conditions," employers cannot take adverse action against employees who refuse to report to, or leave, the workplace because they have "reasonable belief" that it is unsafe.
 6. **Extension of COVID-19 Notice Requirements until 1/1/24 (AB 2693):** Requires employers to post a notice in the workplace for 15 days when there has been COVID-19 exposure. Alternatively, employers can provide individual notices to employees. The notice must be given within one business day from when the employer receives the notification of the potential workplace exposure.
 7. **Extension of COVID-19 "Rebuttable Presumption" until 1/1/24 (AB 1751):** Extends the previous law, which establishes a rebuttable presumption that certain COVID-19 cases are work-related and requires employers to report these cases to their workers' compensation carriers.

- 8. Limitation on Employers' Ability to Monitor Employees (AB 984):** Employers can only use vehicle location tracking devices to monitor employees during work hours and only if it is imperative to an employee's job duties. Employers that use tracking devices on their Company vehicles must notify the employees of the use, and the employees have the right to disable the devices during non-work hours.
- 9. Employer Posting & Notice of OSH Citations/Orders (AB 2068):** Employers must post citations and orders issued by California's Division of Occupational Safety and Health (OSH) in any language spoken by at least 5% of the workers in the workplace.
- 10. Employment Discrimination and Cannabis (AB 2188):** **Not Effective until January 1, 2024.** Employers cannot discriminate against an employee or job applicant based on their use of cannabis off the job and away from the workplace or an employee's drug-screening test that shows non-psychoactive cannabis metabolites. Additional information will be provided closer to the effective date.

Final Comments

As a reminder, this is a brief snapshot of the most pertinent California law implementation applicable to the majority of our clients. Please be advised that failure to comply with new legislation may result in financial and civil penalties.

We will continue monitoring the legal landscape and update you with additional changes as they arise. As always, please feel free to reach out to your HR Consultant should you have any questions.