

# Now & Next

Labor & Employment Alert

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## California employment laws — What's new in 2025?

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California employers must act now to ensure compliance with new laws effective January 1, 2025.



### What's the impact?

- New laws include bans on discrimination in captive audience meetings, new independent contractor requirements, expanded leave rights for victims of violence, and new sick leave rules for agricultural workers.
- Employers must update policies to reflect changes to whistleblower rights, driver's license requirements, and FEHA applicability.

As we approach 2025, it's crucial for California employers to stay informed about the latest labor and employment law changes. These new laws will significantly impact employer policies and practices, from independent contractor agreements to leaves of absence for employees and family members who are victims of violent crime.

Understanding and implementing these legislative changes is essential to protect your workforce and reduce risks of exposure to monetary damages and penalties.

# Summary of new California employment laws effective January 1, 2025

## **BAN ON DISCRIMINATING AGAINST EMPLOYEES WHO DECLINE TO PARTICIPATE IN CAPTIVE AUDIENCE MEETINGS (SENATE BILL 399)**

Captive audience meetings are mandatory meetings held by employers to discourage employees from unionizing. This bill, with some exceptions, prohibits an employer from discriminating or retaliating against an employee who declines to attend a captive audience meeting where the purpose of the meeting is to communicate the employer's opinion about religious or political matters. The bill requires that employers pay employees who refuse to attend and who work during the meeting.

The bill defines "political matters" as matters relating to elections for political office, political parties, legislation, regulation, and the decision to join or support any political party or political or labor organization. "Religious matters" are defined as matters relating to religious affiliation and practice, and the decision to join or support any religious organization or association.

An employer who violates this law is subject to a civil penalty of \$500 per employee for each violation. The Labor Commissioner is authorized to enforce the law, including conducting investigations into any alleged violations.

It is likely that opponents of this law will challenge its enforceability on the ground that it is preempted by the federal National Labor Relations Act, so this is one to watch.

## **NEW REQUIREMENTS FOR INDEPENDENT CONTRACTORS (SENATE BILL 988)**

This bill requires a hiring entity to pay an independent contractor the compensation specified by the contract for professional services on or before the date specified in the contract. If the contract between the hiring entity and the independent contractor does not specify a date, then the hiring entity must pay for services no later than thirty (30) days after completion of the contractor's services. This bill also requires that the contract be in writing and that the hiring entity retain the contract for no less than four (4) years. An aggrieved independent contractor can bring a civil action against the hiring entity to enforce their rights.

## **EMPLOYEE RIGHTS AND RESPONSIBILITIES, AND POSTER REQUIREMENT (ASSEMBLY BILL 2299)**

California law currently prohibits employers from having a policy that prevents employees from disclosing violations of local, state, or federal laws or regulations to a government or law enforcement agency. This bill requires employers to post a list of employee rights under the state's whistleblower laws once the Labor Commissioner develops a model list.

### **DRIVER'S LICENSE REQUIREMENT IN JOB POSTINGS (SENATE BILL 1100)**

This bill amends Government Code Section 12940 to prohibit employers from including a statement in job postings requiring applicants to have a driver's license unless the employer reasonably expects that the job duties will include driving *and* that using an alternative method of transportation would not be comparable in travel time or cost to the employer.

### **EXPANDED ANTI-DISCRIMINATION LAW (SENATE BILL 1137)**

The California Fair Employment and Housing Act (FEHA) prohibits employers from discriminating against employees based on certain protected characteristics, including race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, age, sexual orientation, reproductive health decision-making, and veteran or military status. This bill amends the FEHA to specifically prohibit discrimination based on a combination of two or more of these protected characteristics.

### **LOCAL LAW ENFORCEMENT OF EMPLOYMENT DISCRIMINATION LAWS (SENATE BILL 1340)**

This bill clarifies that cities, counties, and other political subdivisions of the State of California may enforce local laws prohibiting discrimination in employment based on the protected characteristics outlined in the FEHA, provided that the local law is at least as protective of employees' rights as the FEHA.

### **CHANGES TO WORKERS' COMPENSATION NOTICE (ASSEMBLY BILL 1870)**

Existing law requires employers to post a notice of employees' rights to workers' compensation, including to whom injuries should be reported, the rights of an employee to select a treating doctor, and protection from discrimination. This bill amends Labor Code Section 3550 to require that employers include a statement in the notice that an injured employee has a right to consult a lawyer to advise them of their rights under the state's workers' compensation laws. Employers should review their workers' compensation poster in 2025 to ensure it complies with this new requirement.

### **USING VACATION TIME BEFORE PAID FAMILY LEAVE (ASSEMBLY BILL 2123)**

California's Paid Family Leave (PFL) program provides partial wage replacement benefits to employees who need to take time off work to care for a seriously ill family member, bond with a new child, or participate in a qualifying event because of a family member's military deployment. Eligible employees can receive benefit payments for up to eight weeks. Current law allows employers to require that employees take up to two weeks of earned but unused vacation before they receive PFL benefits. This bill amends Unemployment Insurance Code Section 3303.1 to

eliminate that provision of the PFL law. Therefore, as of January 1, 2025, employers can no longer require employees to use vacation time before receiving PFL benefits.

### **EXPANDED DOMESTIC VIOLENCE LEAVE LAW (ASSEMBLY BILL 2499)**

Existing law requires that employers provide employees with time off to serve on a jury or appear in court as a witness. It also requires employers to provide reasonable accommodations to employees who are victims of domestic violence, sexual assault, or stalking. This bill significantly expands an employee's right to take time off because of their victim status or the victim status of a family member.

Specifically, the bill does away with the "crime or abuse" language and instead refers to a "qualifying acts of violence." A qualifying act of violence is defined as any of the following, regardless of whether anyone is arrested for, prosecuted for, or convicted of committing a crime: domestic violence; sexual assault; stalking; or an act, conduct, or pattern of conduct where an individual causes bodily injury or death to another; exhibits, draws, brandishes, or uses a firearm, or other dangerous weapon, with respect to another; or ; uses, or makes a reasonably perceived or actual threat to use, force against another to cause physical injury or death.

AB 2499 requires that employers with twenty-five (25) or more employees provide job-protected, unpaid time off for employees for any of the following reasons:

- / Obtain or attempt to obtain relief for a family member, including a temporary restraining order, restraining order, or other injunctive relief, to help ensure the health, safety, or welfare of a family member of the victim;
- / Seek, obtain, or assist a family member to seek or obtain medical attention for or to recover from injuries caused by a qualifying act of violence;
- / Seek, obtain, or assist a family member to seek or obtain services from a domestic violence shelter or program, rape crisis center, or victim services organization or agency as a result of a qualifying act of violence;
- / Seek, obtain, or assist a family member to seek or obtain psychological counseling or mental health services related to an experience of a qualifying act of violence;
- / Participate in safety planning or take other actions to increase safety from future qualifying acts of violence;
- / Relocate or engage in the process of securing a new residence due to a qualifying act of violence, including, but not limited to, securing temporary or permanent housing or enrolling children in a new school or childcare;
- / Provide care to a family member who is recovering from injuries caused by a qualifying act of violence;
- / Seek, obtain, or assist a family member to seek or obtain civil or criminal legal services in

relation to a qualifying act of violence;

- / Prepare for, participate in, or attend any civil, administrative, or criminal legal proceeding related to a qualifying act of violence; or
- / Seek, obtain, or provide childcare or care to a care-dependent adult if the childcare or care is necessary to ensure the safety of the child or dependent adult as a result of a qualifying act of violence.

An employer may limit the total leave time taken by an employee who is a victim of a qualifying act of violence to twelve (12) weeks. However, if an employee's family member is a victim who is not deceased as a result of a crime and the employee is not a victim, the employer may limit the leave taken for the purpose of relocation or securing temporary housing to five (5) days. If an employee's family member is a victim who is not deceased as a result of a crime and the employee is not a victim, the employer may limit the total leave taken for any other covered reason to ten (10) days. Leave taken under AB2499 runs concurrently with leave taken under the Family and Medical Leave Act and/or the California Family Rights Act, assuming the employee also qualifies for leave under one of those statutes.

#### **EXPANDED PAID SICK LEAVE FOR AGRICULTURAL WORKERS (SENATE BILL 1105)**

This bill requires that employers allow agricultural workers to use paid sick leave to avoid smoke, heat, or flooding conditions created by a local or state emergency. The bill prohibits employers from requiring employees, as a condition of using paid sick days, to search for or find a replacement worker to cover the days during which the employee would be away from work.

#### **CHILD LABOR PRACTICES AUDITS (ASSEMBLY BILL 3234)**

This bill adds Labor Code Sections 1250 and 1251 to impose notice requirements on employers who voluntarily conduct a social compliance audit to determine if child labor is involved in the employer's operations or practices. A "social compliance audit" is defined as a voluntary, nongovernmental inspection or assessment of an employer's operations or practices to evaluate whether the operations or practices comply with state and federal labor laws, including wage-and-hour and health and safety regulations, including those regarding child labor. AB3234 requires that employers who conduct such an audit must post a clear and conspicuous link on their website to a report detailing the findings of the employer's compliance with child labor laws. The report must include whether the employer did or did not engage in, or support the use of, child labor. It must also include a copy of any written policies and procedures the employer has that apply to child employees.

#### **DIGNITY IN PREGNANCY AND CHILDBIRTH ACT (ASSEMBLY BILL 2319)**

This bill expands the current training requirements for specified healthcare providers at hospitals that provide perinatal care to include implicit bias training that includes a discussion of

intersecting identities, including nonbinary and transgender persons, and the potential associated biases. Initial bias training for implicit bias must be completed by June 1, 2025, for current healthcare providers, and within six (6) months of their start date for new healthcare providers. Covered employers must provide proof of compliance to the state Attorney General by February 1, 2026, and each February 1 thereafter.

#### **CONSTRUCTION INDUSTRY PAGA EXEMPTION (ASSEMBLY BILL 1034)**

The California Labor Code Private Attorneys General Act (PAGA) authorizes aggrieved employees to bring representative actions on behalf of current and former employees for Labor Code violations. PAGA exempts employees in the construction industry who are subject to a valid collective bargaining agreement. Currently, this exemption sunsets on January 1, 2028; AB 1034 extends the sunset date to January 1, 2038.

For assistance in complying with these new laws, please contact your Nixon Peabody attorney or:

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