

# EMPLOYMENT LAW UPDATES 2024

There are several significant changes to California Law which Employers must know heading into 2024. At the Watkins Firm, we encourage our clients to update their Employee Handbook to comply with changing laws. To highlight a few important changes:

**1**

AN ADDITIONAL FORM OF PROTECTED LEAVE WILL GO INTO EFFECT. IN OCTOBER, CALIFORNIA PASSED A NEW PROTECTED LEAVE CALLED "REPRODUCTIVE LOSS LEAVE" WHICH MUST BE PROVIDED BY ANY BUSINESS WITH 5 OR MORE EMPLOYEES.

**2**

CALIFORNIA'S REQUIRED SICK LEAVE LAW IS CHANGING. EFFECTIVE JANUARY 1, 2024 CALIFORNIA SICK LEAVE MINIMUM ACCRUALS AND USE CAPS WILL INCREASE FOR MANY EMPLOYERS.

**3**

THERE WILL BE NEW RESTRICTIONS IN PLACE REGARDING DRUG TESTING OF EMPLOYEES. CALIFORNIA EMPLOYERS WHO CHOOSE TO DRUG TEST EMPLOYEES OR HAVE POLICIES REGARDING MARIJUANA USE WILL WANT TO BE INFORMED OF NEW UPDATES REGARDING OFF DUTY USE OF MARIJUANA.

**4**

MINIMUM WAGE FOR ALL HOURLY EMPLOYEES IS INCREASING AND THE MINIMUM WAGE IN CERTAIN INDUSTRIES WILL BE CHANGING AS WELL. CONTACT US TO SEE HOW YOUR INDUSTRY MAY BE IMPACTED.

**5**

IN ADDITION, IF EMPLOYERS HAVE ARBITRATION AGREEMENTS IN PLACE WITH THEIR EMPLOYEES, OR AGREEMENTS NOT TO COMPETE, MANDATORY ACTION MUST BE TAKEN BY THE EMPLOYER RIGHT AWAY.

Reach out to discuss updating your handbooks, policies and practices to stay compliant with the laws changing in 2024

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# Employment Law Updates for 2024 - Part 1

1. Minimum wage increase in CA: \$16.00 hourly, \$66,560 exempt salary minimum
2. California Sick Pay: Increases sick pay to 40 hours for use.
  - a. Sick leave must accrue at a rate of not less than 24 hours or 3 days by the 120<sup>th</sup> calendar day of employment, and no less than 40 hours or 5 days by the 200<sup>th</sup> calendar day of employment.
    - a. Part time employees will still accrue 1 hour for every 30 hours worked and don't need to hit these minimums if they can't get there in the time allotted
  - b. Minimum accrual cap = 80 hours.
  - c. Frontloading is optional per employer – if you frontload you don't have to do a rollover since you're already frontloading 80 hours beginning of each year
  - d. The rule for use 40 hours or 5 days. Must use which is greater - hours or days. So if EE's work 10 hour days, they will actually get 50 hours.
3. Non Compete Agreements (SB 699) – currently unenforceable. Now it is **UNLAWFUL** for employers to enter into or attempt to enforce NCA's.
  - a. If EE signed agreement out of CA but then goes into CA, agreement is void. EE must primarily reside in CA for this to apply. But each state has its own laws and EE's location must be governed by that state's laws.
  - b. Prohibits non-solicitation of customers
  - c. But still can prohibit competition/solicitation using trade secrets
  - d. Employees can sue for signing an agreement and get damages, attorneys fees and costs and injunctive relief.
  - e. AB 1076 – makes it unlawful to include non compete clauses in employment agreements/contracts. **EE's must notify EE's by 2/14/24 that non complete clause or agreement is void. Document timeline is signed from 1/1/22-present.** Notify EE at their last known address in EE file. If wanting to email that's fine, but still need to physically mail. No language or form provided, just inform EE what agreement or clause you are referring to. Only need to give notice to people who have left the company, probably not applicable to current EE's.
    - a. What about non solicitation or employees rather than customers? Law isn't clear on that.
4. Fast Food Restaurant - \$20 minimum wage beginning April 2024:
  - a. Defined as “organization with 60 or more standard restaurants across the nation”
5. SB476 mandates that training courses are compensable hours worked – must pay wages AND for the cost of the training. Cannot make having existing card as a condition of hire.
6. SB497 – Presumption of Retaliation: Makes it easier for EE's to establish prima facie. If taking action within 90 days of an employee engaging within protected activity, it's retaliation. Unless you can prove with your own evidence there is no connection between protected act and action against EE. Guilty until proven innocent. Document everything you can.