

The State of California and our local governments have enacted a wide range of employment-related laws that took effect on January 1, 2018, and a few that will take effect during the year. Below is a brief summary of five of the new laws that we believe are most relevant and likely to impact businesses. Please do not consider this list to be comprehensive. In efforts to remain compliant with these new laws, please review this information carefully and please update your policies and procedures accordingly.

- (1) **Compensation History – Labor Code 432.3 and AB 168:** *Effective January 1, 2018.* California employers are now prohibited from seeking an applicant’s compensation history either orally or in writing and from any source. However, if an applicant voluntarily and without prompting, discloses salary history information, the employer may consider and rely upon the voluntarily disclosed information.

Employers are permitted to ask about an applicant’s salary expectations or requirements. Employers are also required, upon reasonable request to provide an applicant with a pay scale for the position sought.

Employers should review and revise their recruiting practices as well as their hiring policies and procedures. Any questions relating to pay and benefit history should be removed from employment applications. Job postings may not request current or prior salary information. Employers should update their employee handbooks to reflect these changes and provide training to all personnel involved in the hiring and/or interviewing process on complying with the new law.

- (2) **Ban the Box – AB 1008 and Government Code Section 12952:** *Effective January 1, 2018.* California employers with five or more employees are prohibited from making pre-offer inquiries regarding an applicant’s conviction history. An employer may make a conditional offer of employment and then make inquiries into an applicant’s criminal history. Employers should not conduct criminal background checks until after a conditional offer of employment has been made.

If an employer plans to deny the application based in whole or in part on the conviction history, the employer must conduct an individualized assessment analyzing whether the criminal history has a direct and adverse relationship with the specific job duties and notify the applicant in writing of the preliminary decision to reject the application.

The applicant then has five days to submit rebuttal information. If the employer makes a final decision to deny the application in whole or in part based on the conviction history, the employer must notify the applicant in writing.

- (3) **Minimum Wage Updates – SB 3 and Labor Code Sections 245.6 and 246:** *Effective January 1, 2018.* California minimum wage for non-exempt employees increased by 50 cents. For employers of 26 or more the minimum wage is now \$11.00 per hour and for employers with 25 or fewer employees the minimum wage is now \$10.50 per hour.

The minimum salary for exempt employees of employers with 26 or more employees has increased to \$45,760 per year. The minimum salary for exempt employees of employers with 25 or fewer employees has increased to \$43,680 per year.

Note some municipalities have enacted higher minimum wage than that of the state of California. When conflicts exist between state and municipal rates, employers must pay the highest applicable rate.

- (4) **Expansion of Parental Leave Rights – SB 63 and Government Code 12945.6:** *Effective January 1, 2018.* The New Parental Leave Law (“NPLA”) extends California Family Rights Act baby bonding rights to employees of businesses with 20 or more employees within a 75 miles radius. Employers are required to provide eligible employees with 12 weeks of unpaid job-protected leave to bond with a new child after the child’s birth, adoption or foster care placement. Employers are required to maintain and pay for group health plan coverage while employees are on leave as if the employee were an active employee.

Employers that are covered by the NPLA should update their employment handbooks accordingly.

- (5) **New Content for Sexual Harassment Training – SB 396:** *Effective January 1, 2018.* For employers of 50 or more mandatory sexual harassment awareness training must now address harassment based on gender identity, gender expression and sexual orientation. Employers must also prominently display a new poster regarding transgender rights in the workplace

**AB 1732:** *Effective since March 1, 2017* all single-user restrooms must be identified as all-gender or gender neutral and signage must be gender neutral.

Should you have any questions about these or any other employment law related issues please contact Patrick Maloney or Vanessa Willis at The Maloney Firm, (310) 540-1505.