

New California Labor and Employment Laws for 2025

By Thomas H. Petrides, Ari D. Winger and Marianna E. Politis

December 18, 2024

Every new year brings yuletide greetings, holiday festivities and, as sure as taxes, new California employment laws passed by the California Legislature and approved by the Governor. A brief summary of the most significant of these new employment laws impacting California employers to take effect at the start of 2025 is set forth below.

[AB 2288](#) & [SB 92](#) – PAGA Penalty Structure Changes: The California Private Attorneys' General Act (PAGA), which allows aggrieved employees to seek civil penalties on behalf of the State of California against employers, was significantly amended in the summer of 2024 (effective June 19, 2024) in an effort to provide some relief to employers who were being overwhelmed with PAGA lawsuits. Under the amended PAGA statute, the plaintiff employee must now personally experience the particular Labor Code violation to have standing under PAGA to assert that penalty claim on behalf of others. (Previously, an aggrieved employee who had experienced any single Labor Code violation could pursue PAGA penalties on behalf of all aggrieved employees regarding any possible Labor Code violations.) An exception to this new rule exists for cases brought by nonprofit legal aid associations with at least five years of PAGA experience. The penalty structure of \$100 per employee per pay period for an initial violation has also been reduced if certain mitigating factors apply, including that the alleged violation resulted from an isolated, nonrecurring event that did not extend beyond the lesser of 30 consecutive days or four consecutive pay periods, in which case the civil penalty is \$25 or \$50, with certain exceptions. Also, under certain circumstances, the civil penalties prescribed by PAGA would be reduced by 15% or 30%, as specified, if the employer has taken all reasonable steps to comply with the provisions alleged to have been violated in the required notice provided by the aggrieved employee. However, now only 65% (instead of 75%) of the penalties recovered must be paid to the State of California and 35% (instead of 25%) must be distributed to the aggrieved employees. Additionally, the amended PAGA statute expands the types of violations now eligible to be cured, including typical claims such as wage statement violations, meal and rest period premiums, overtime, and expense reimbursements. Further, small employers with fewer than 100 employees can submit a confidential request for a proposed cure to the Labor and Workforce Development Agency (LWDA) within 33 days of receipt of a PAGA letter prior to an action being filed. Large employers with at least 100 employees can request an early evaluation conference with the court where the action was filed and request for a stay of the court proceedings before, or simultaneous with, the filing of defendant's responsive pleading or other initial appearance in the action, for the purpose of discussing a cure of the alleged violations and early settlement.

[SB 399](#) – California Worker Freedom from Intimidation Act: This new law allows employees the right to refuse participation in employer-sponsored meetings or communications aimed at sharing the employer's views on religious or political matters. Religious matters include affiliation, practices or support for religious organizations, while political matters include elections for political office, political parties, legislation, regulation and the decision to join or support any political party or political or [labor organization](#). Employers are prohibited from retaliating against employees who refuse to attend such "captive audience" meetings. However, the law does not restrict legally required communications, job-related information or certain communications by public entities or higher education institutions. Violations may result in a \$500 civil penalty per employee, and employees may seek damages, including punitive damages and injunctive relief.

AB 2123 – **Paid Family Leave Amendment:** California Paid Family Leave (PFL) provides partial wage replacement benefits for employees to (1) care for a qualifying family member, (2) bond with a new child or (3) assist military family members with qualifying events. Previously, the employer could require employees to use two weeks of vacation or PTO prior to being eligible to use PFL. This amendment removes that requirement and allows employees to immediately be eligible for PFL upon a qualifying event.

AB 1815 – **Race Discrimination: Hairstyles:** This amendment to the Fair Employment and Housing Act (FEHA) slightly modifies the definition of “race.” Previously, “race” was defined under the FEHA to include “traits historically associated with race, including but not limited to hair texture and protective hairstyles.” This amendment removes the word “historically” from the definition. Additionally, the FEHA previously defined “protective hairstyles” to include “braids, locks, and twists” and this amendment changes the spelling of the word “locks” to “locs.” These same amendments were also made to the Education Code and were added to the Unruh Act.

AB 2299 – **Labor Commissioner: Whistleblower Protections:** This law requires employers to display a list of employees’ rights and responsibilities under the state’s whistleblower laws. AB 2299 requires the California Labor Commissioner to develop a model list of employee rights that complies with the requirements of Labor Code section 1102.8, including the telephone number of the whistleblower hotline. Employers posting this model poster will be deemed in compliance with this new law.

SB 1137 – **Discrimination Claims: Combination of Characteristics:** This amendment clarifies that discrimination is prohibited on the basis not just of individual protected characteristics, but on the basis of the intersectionality, or combination, of two or more protected traits. Senate Bill 1137 clarifies that when an individual claims multiple bases for discrimination or harassment, it may be necessary to establish whether the discrimination or harassment occurred on the basis of a combination of these factors, not just one protected characteristic alone. The Commission’s guidance provides examples of what discrimination or harassment based on multiple protected characteristics looks like. Although it seems obvious that California’s anti-discrimination laws already extend to discrimination on the basis of a combination of protected characteristics, SB 1137 codifies this, eliminates any ambiguity on the issue and clarifies that the law protects against discrimination on the basis of the combination between two or more protected characteristics. (Federal law under Title VII as enforced by the EEOC already included this protection.)

SB 1100 – **Driver’s License Discrimination:** This new law makes it unlawful for an employer to include a statement in employment materials that an applicant must have a driver’s license, unless two conditions are both met: (1) the employer reasonably expects the position to require driving and (2) the employer reasonably believes that the job function would not be satisfied by other forms of transportation that are comparable in travel time or cost to the employer.

General Minimum Wage/Salary Increases: Effective January 1, 2025, California raises its statewide minimum wage to \$16.50 per hour. This represents a 3.18% increase based on the cost of living adjustment due to inflation. Also, the minimum annual salary required to qualify for exempt will increase to \$68,640, or twice the state minimum wage based on a 40-hour workweek. Even higher minimum wages are applicable for certain workers in the fast-food industry and for health care employees. Additionally, many cities and/or counties, including Los Angeles, Oakland, San Francisco and San Diego, have higher minimum wages than the state minimum wage, so employers should check the municipalities where they currently have employees to determine the correct minimum wage that applies to those workers.

AB 2499 – **Expanded Protections for Crime Victims:** AB 2499 broadens the protections previously provided under Labor Code sections 230 and 231 for employees taking time off work for jury duty, witness testimony or addressing matters as a victim of crime or abuse and moves those protections to the Government Code under the FEHA to be enforced by the Civil Rights Department (CRD). The law broadens the definition of a “crime” to include any crime or public offense, wherever it may take place, that would constitute a misdemeanor or a felony if the crime had been committed in California. The law also expands its protections for a “victim” to include anyone subjected to a “qualifying act of violence,” regardless of whether anyone was arrested, prosecuted or convicted of committing any crime, which includes acts of domestic violence, sexual assault, stalking or, as newly added, “an act, conduct, or pattern of conduct that includes any of the following: (i) in which an individual causes bodily injury or death to another individual; (ii) in which an individual exhibits, draws, brandishes, or uses a firearm, or other dangerous weapon, with respect to another individual; or (iii) in which an individual uses, or makes a reasonably perceived or actual threat to use, force against another individual to cause physical injury or death.” The definition of “sexual assault” was also expanded to mean any nonconsensual sexual act prohibited by federal, tribal or state law, including when the victim lacks capacity to consent.

The definition of “stalking” was also expanded to mean engaging in a course of conduct directed at a specific person that would cause a reasonable person to fear for that person’s safety or the safety of others or suffer substantial emotional distress. Further, employers with 25 or more employees must now allow protected time off for employees to seek or obtain various forms of relief, not only for themselves as was previously provided, but now also to assist a family member in seeking to obtain that same type of relief. “Family member” means a child, parent, grandparent, grandchild, sibling, spouse or domestic partner, or a designated person, which means any individual related by blood or whose association with the employee is the equivalent of a family relationship, as designated by the employee. (The designation may be made by the employee at the time the employee requests the leave, and may be changed once every 12 months.) Employees taking time off, either for themselves as a victim or to support a family member who is a victim, are allowed to use paid sick leave for these purposes. Additionally, employers are required to provide reasonable accommodations to employees if they are a victim, as previously provided, but now also if the employee has a family member who is a victim.

SB 988 – **The Freelance Worker Protection Act (FWPA)**: The FWPA provides new protections for freelance workers who qualify as independent contractors under the ABC test. Beginning January 1, 2025, written contracts are required and must include (1) an itemized list of services, detailing the value of the services, the rate and the method of compensation; (2) the payment due date or a method for determining it; and (3) the deadline for the worker to submit the list of services rendered to ensure timely payment. Hiring parties are required to retain these contracts for four years. Further, once services commence, the hiring party is prohibited from requiring the worker, as a condition of payment, to accept reduced compensation, provide additional goods or services, or grant more rights than originally agreed upon. Any attempt to waive these protections is void and unenforceable. Violations of this law carry penalties, including \$1,000 for refusing a request for a written contract, double damages for unpaid amounts if payment is not made on time and damages equal to the greater of the contract’s value or the value of the work performed.

L.A. County Code § 8.300 – **Fair Chance Ordinance for Employers**: Effective September 3, 2024, this law provides protections for individuals with criminal records seeking employment in unincorporated areas of Los Angeles County. It applies to employers with at least five employees performing two or more hours of work per week in these areas. The law restricts specific job postings and prohibits pre-offer inquiries into an applicant’s criminal history, limiting the lookback period to seven years, subject to exceptions. Employers are barred from considering certain records, including arrests not leading to convictions, sealed or expunged records, juvenile court information, certain marijuana offenses older than two years, infractions unrelated to driving duties and decriminalized conduct. Additionally, if an employer intends to rescind a job offer based on a criminal background check, it must provide advance written notice and engage in a fair chance process. Applicants have one year to file a complaint with Los Angeles County.

AB 3234 – **Social Compliance Audits**: AB 3234 imposes transparency requirements on employers conducting voluntary social compliance audits to verify compliance with health and safety regulations and child labor laws. Employers are now required to post a clear and conspicuous link on their website to a report summarizing the findings of their most recent social compliance audit. The report must include (1) the date and time of the audit, including the applicable shift, (2) whether the business engages in or supports the use of child labor, (3) a copy of any policies and procedures related to child employees, (4) whether the business exposes children to hazardous or unsafe workplace conditions, and (5) whether children work during or outside of regular school hours.

AB 2049 – **New Summary Judgement Deadlines**: This amendment to California Code of Civil Procedure section 437(c) changes the deadline for a party to file a motion for summary judgment or summary adjudication from the current 75 days to at least 81 days before the hearing on the motion. The deadlines for filing an opposition are likewise extended from 14 days to at least 20 days before the hearing, and for filing a reply from five days to at least 11 days before the hearing. The new law prohibits a party from filing more than one motion for summary judgment against an adverse party (multiple motions for summary adjudication are excluded from this prohibition) without leave of court and expressly prohibits the introduction of new facts in a reply to an opposition to a motion for summary judgment.

SB 1340 – **Anti-Discrimination Enforcement**: The Legislature enacted SB 1340 to enhance local involvement in enforcing anti-discrimination laws alongside the Civil Rights Department (CRD). Under this statute, cities, counties and other political subdivisions of the state are authorized to enact and enforce anti-discrimination laws that provide protections at least as strong as those under state law. Local enforcement, however, is permitted only after an individual files a complaint with the CRD and receives a right-to-sue notice. The statute tolls the time to file a civil action after the issuance of a right-to-sue notice while local enforcement proceedings are ongoing. Importantly, local enforcement does not preclude a complainant from filing a timely civil action once they have received their right-to-sue notice.

AB 1888 – **Department of Justice Labor Trafficking Unit:** AB 1888 establishes a labor trafficking unit within the Department of Justice that will be primarily focused on investigating and prosecuting labor trafficking cases and coordinating with local law enforcement, community organizations and other agencies. This bill aims to protect vulnerable workers and hold traffickers accountable.

SB 1105 – **Paid Sick Leave for Agricultural Employees:** SB 1105 amends California’s Paid Sick Leave statute to allow agricultural employees entitled to paid sick leave to use paid sick leave to avoid, smoke, fire or flooding conditions created by a local or state emergency, including closure of the worksite. The amendment is declaratory of existing law to the extent that the sick days are necessary for preventative care.

AB 1034 – **PAGA Construction Industry Extension:** This new law extends the sunset date for the construction industry PAGA exemption from January 1, 2028, to January 1, 2038, while also removing the requirement that the exemption applies only to CBAs in effect prior to January 1, 2025. Under this law, construction employees are exempt from PAGA only if their collective bargaining agreement (CBA) (1) expressly provides for wages, hours of work, working conditions, premium wages for overtime and a rate of pay that is at least 30% higher than the state minimum wage; (2) prohibits all Labor Code violations redressable under PAGA and provides a grievance and binding arbitration procedure to address such violations; (3) expressly waives the requirements of PAGA; and (4) permits an arbitrator to award all remedies that would otherwise be available under the Labor Code.

AB 2738 – **Vendor Contracts for Live Entertainment Events:** AB 2738 amends Labor Code sections 9251 and 9252 and adds section 9252.1 regarding vendor contracts for live entertainment events. Requires vendors to furnish to the contracting entity the names of its employees/subcontractors and to state what Cal/OSHA training or certification the employee has completed and the date. Additionally, AB 2738 amends Labor Code section 181 to allow public prosecutors enforcing Labor Code violations to now recover all available remedies, including wages, liquidated damages and civil penalties.

AB 224 – **Newspaper Distributor and Carriers:** AB 224 amends Labor Code § 2783 to extend the exemption from the application of the Dynamex/ABC test to newspaper distributors working under contracts with publishers and carriers, and corresponding LWDA reporting requirements. The extension of AB 224 is until January 1, 2030.

AB 2364 – **Property Service Workers (Janitorial) Protections:** – Effective January 1, 2026, this law amends Labor Code section 1420 to increase fees paid for harassment prevention training from \$65 to \$85 per participant and to \$200 each for 10 or less participants.

AB 2754 – **Port Drayage Motor Carriers Contracts:** AB 2754 extends Labor Code section 2810 provisions to port drayage motor carriers. “Port drayage motor carrier” means an individual or entity that hires or engages commercial drivers in the port drayage industry. Labor Code section 2810 requires contracts for construction, farm labor, garment, janitorial, security guard and warehouse workers to meet certain requirements and assurances of sufficient funding to comply with labor laws and now adds port drayage motor carriers to the requirements of section 2810. These provisions prohibit a person or entity from entering into contracts for labor or services with certain types of contractors if they know or should have known that the contract does not include sufficient funds to allow the contractor to comply with all applicable employment laws. The law also imposes joint and several liability for customers of port drayage motor carriers where the motor carriers misclassify drivers as independent contractors. Additionally, AB 2754 amends section 2810.4 to add that a customer shall share with the motor carrier for all civil liability owed to a port drayage driver misclassified as an independent contractor.

If you have any questions about this article, please contact **Thomas H. Petrides** at tpetrides@vedderprice.com, **Ari D. Wininger** at awininger@vedderprice.com, **Marianna E. Politis** at mpolitis@vedderprice.com or any other Vedder Price attorney with whom you have worked.

vedderprice.com