



## In the News

### The Year in Review – Significant Changes in California’s Employment Laws in 2024

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Employing California workers potentially exposes businesses to significant legal risk. The Golden State’s employee protections are not only expansive, but also rapidly evolving. Monitoring the frequent changes in federal, state, and local laws (which often overlap) can be challenging. Legal violations that may seem trivial from the perspective of common sense can present outsized exposure when a company is sued based on the noncompliance – particularly when such lawsuits are asserted as a class action or under the state’s Private Attorneys General Act. Employing California workers potentially exposes businesses to significant legal risk. The Golden State’s employee protections are not only expansive, but also rapidly evolving. Monitoring the frequent changes in federal, state, and local laws (which often overlap) can be challenging. Legal violations that may seem trivial from the perspective of common sense can present outsized exposure when a company is sued based on the noncompliance – particularly when such lawsuits are asserted as a class action or under the state’s Private Attorneys General Act.

As 2024 draws to a close, we highlight here ten of the year’s major developments that California employers should understand.

1. **Prohibition of Mandatory Meetings about “Political” or “Religious” Matters.** On January 1, 2025, California will prohibit most employers from disciplining or retaliating against individuals who choose not to attend “employer-sponsored” meetings “the purpose of which is to communicate the employer’s opinion about religious or political matters.” Senate Bill 399 (the “California Worker Freedom from Employer Intimidation Act”) adds Section 1137 to the Labor Code. Section 1137 creates a private right of action for violations and allows employees to recover a civil penalty and damages, including punitive damages. The bill was sponsored by the California Federation of Labor Unions, which is expected to interpret “political matters” as including an employer’s discussion of whether workers would benefit from collective bargaining.
2. **Expansive Application of the Ban on Forced Arbitration of Sexual Assault/Harassment Claims.** This year, California courts broadly construed the federal Ending Forced Arbitration of Sexual Assault and Sexual Harassment Act as prohibiting compulsory arbitration of claims that are *unrelated to sexual assault or harassment* if they are asserted together with such claims in the same lawsuit.
3. **State-Wide Protections for Freelance Workers.** Locally-enacted protections for workers continue to drive the expansion of workers’ rights at the state level. The Freelance Worker Protection Act (Senate Bill 988), which beginning January 1, 2025, requires written contracts with freelance workers and timely payment of such workers, followed similar requirements adopted by the City of Los Angeles in 2023.
4. **Updates to Anti-Discrimination Laws.** The Fair Employment and Housing Act (FEHA), the Unruh Act, and the Education Code were amended to clarify that:
  - individuals are protected from discrimination based on “the combination” of one or more protected characteristics (e.g., Black and female) or a perception that individuals have a combination of protected characteristics. (Senate Bill 1137.)

- discrimination based on an individual's hair texture or protective hairstyles (including braids, locs, and twists) is not limited to styles “historically” associated with race. (Assembly Bill 1815, amending the Creating a Respectful and Open World for Natural Hair (CROWN) Act.)
- 5. **PAGA Reform.** In exchange for the withdrawal of a ballot initiative that would have let California’s voters decide the fate of the “job-killing” Private Attorneys General Act (PAGA), stakeholders negotiated a comprehensive legislative reform of the Act. New PAGA limits an employee’s standing, expands employers’ ability to “cure” certain violations, changes the default statutory penalties, and grants large employers the right to demand an Early Evaluation Conference when a lawsuit is filed. New PAGA incentivizes employers to ensure their wage and payroll practices are compliant in every respect and to act swiftly when they receive a PAGA Notice Letter and after a PAGA suit is filed.
- 6. **Workplace Violence Prevention Programs are Required for Most Sites.** Most employers were required to develop and implement a workplace violence prevention program no later than July 1, 2024. Required elements of the program (including training and record-keeping) are described in Labor Code Section 6401.9. Cal/OSHA released a Model Written Workforce Violence Prevention Plan for General Industry for employers’ optional use.
- 7. **Changes to Workers’ Entitlement to Certain Protected Leaves / Duty to Accommodate Employee’s Request for Safety at Work.** Assembly Bill 2499 changed employees’ rights to take “crime victim” leave. The bill made the statutory entitlements a part of FEHA by adding Section 12945.8 to the Government Code. Section 12945.8 grants workers the right to take time off for jury service, to appear as a witness, or to seek relief to ensure the health, safety, or welfare of the employee or their child. Employers having at least twenty-five employees cannot discriminate or retaliate against workers for leave or treatment required because of a qualifying act of violence, or because the employee or their family member is a crime victim. Employers also must reasonably accommodate an employee’s request to ensure their safety at work.
- 8. **New Limits on Job Postings.** Beginning January 1<sup>st</sup>, employers cannot include in a job posting a requirement that the applicant must have a driver’s license unless driving is one of the functions of the role and the employer “reasonably believes” that it would not be “comparable in travel time or cost to the employer” for the applicant to use an alternative form of transportation (including but not limited to walking, biking, or a ride-sharing app, taxi, etc.). Senate Bill 1100 amends Government Code Section 12940.
- 9. **Upcoming Increases in Minimum Wages for LA “Tourism Workers.”** In December 2024, the City of Los Angeles amended its Living Wage Ordinance and Hotel Worker Minimum Wage Ordinance. The amendments provide for a series of increases to minimum wages for covered workers, the first of which will become effective not later than July 1, 2025. Over time, the adjustments will guarantee some airport and hotel workers a minimum hourly rate of \$30.00 per hour.
- 10. **Additional Required Workplace Postings.** The list of written disclosures that employers must distribute to or display for their employees is growing:
  - Assembly Bill 2299 amends Labor Code Section 1102.8 to require employers to post a notice about “employees’ rights and responsibilities under the whistleblower laws.” The statute includes specific requirements for the content and format of the notice. A template prepared by the Labor Commissioner is available here.
  - Assembly Bill 1870 added additional requirements for mandatory postings about workers’ compensation claims. Labor Code Section 3550 now requires employers to mention employees’ rights to “consult a licensed attorney to advise them of their rights under workers’ compensation laws” and to advise them that their attorneys’ fees will be paid out of their recovery in “most instances.” An updated notice provided by the Division of Workers’ Compensation is available here.

California’s Legislature also confirmed this year that cities, counties, and other political subdivisions of the state may, under some circumstances, enforce workers’ rights based on local laws prohibiting employment discrimination. (Senate Bill 1340, amending Government Code Section 12993.)



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### Takeaway for Employers

This discussion of new or modified worker protections is not exhaustive, at the federal, state, or local level. To minimize risk, employers may benefit from partnering with outside counsel to review and update their employee handbook, other standalone policies, and their hiring and on-boarding practices.

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- Kate LaQuay