



California Employment Legislative Update

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October 15, 2025

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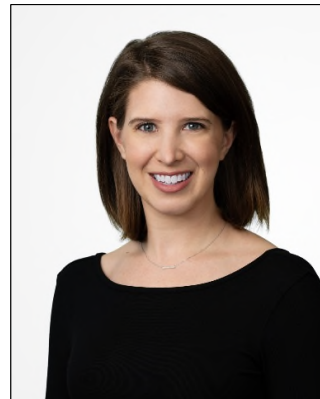
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California 2025 Legislative Calendar - Key Dates

January 5, 2025:	Legislative Session Reconvened
February 20, 2025:	Last day for bills to be introduced
March 26 - April 6, 2025:	Spring Recess
May 29, 2025:	Last day to pass bills introduced in house of origin
July 2 - August 3, 2025:	Summer Recess
August 31, 2025:	Last date for each house to pass bills
September 30, 2024:	Last day for Governor to sign or veto bills passed by Legislature before September 1, 2025
January 1, 2026:	Non-Urgency Statutes take effect
December 7, 2025:	Year 2 of 2025-26 Legislative Session Convenes

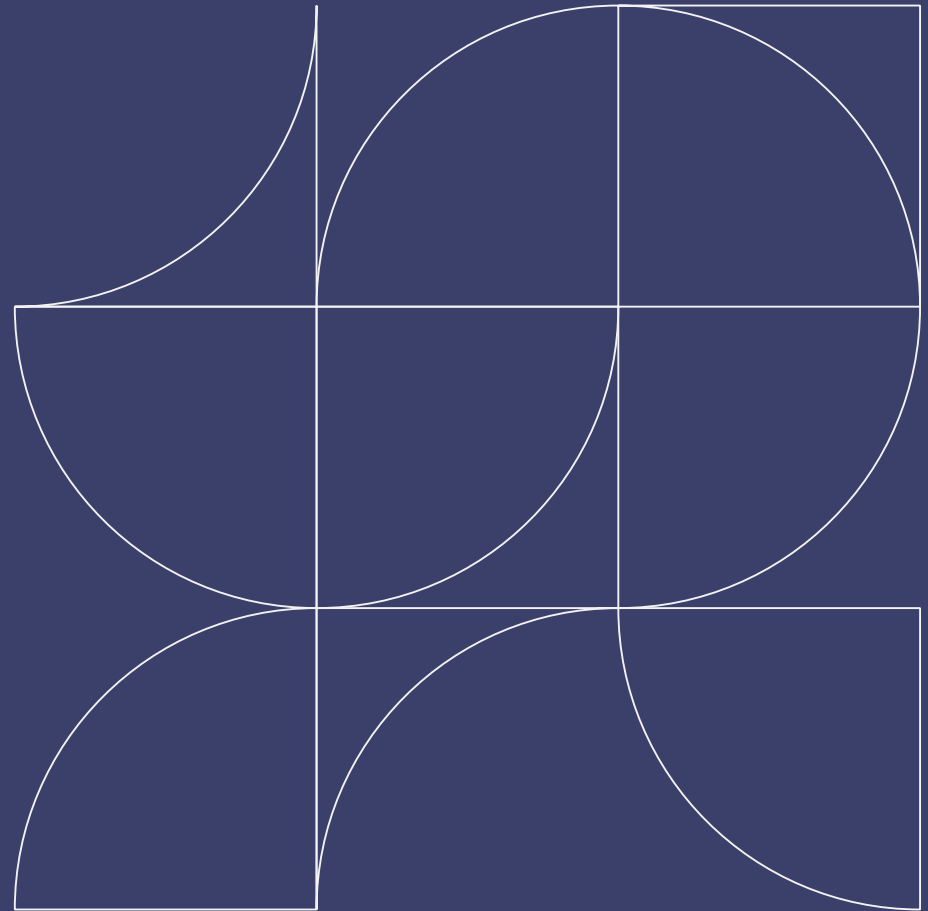
The Statistics

2025 Legislation By The Numbers

- As of his Oct. 13, 2025 signing deadline, Governor Newsom took action on 917 bills
 - Down from 2024's 1,206 bills (the highest number of bills to reach his desk during his tenure as Governor)
 - He has acted on every bill that has reached his desk every year in his 7 years in office, > 6,600
- He **signed 794 bills** (down from 2024's 1,017) and vetoed 123 bills
 - =13.4% veto rate, lower 15% historical average veto rate.

(Credit: Chris Micheli, LinkedIn Posts)

Anti-Discrimination and Harassment Laws



Pay Equity

SB 642 Definition of Pay Scale

SB 464 Employer Pay Data

- **SB 642**

- Revises the “pay scale” definition to mean a “good faith” estimate of the salary or hourly wage range that the employer reasonably expects to pay for the position upon hire.
- Confirms the “wages” definition for equal pay claims aligns with the Federal Equal Pay Act standards and includes all forms of compensation.
 - Includes: life insurance, vacation pay, holiday pay, stock options, and bonuses.
 - No requirement for employers to include additional forms of compensation in the posted pay ranges.
- Expands the SOL for civil actions to recover wages to 3 years after the cause of action occurs, and permits a 6-year lookback period.
- Replaces “opposite sex” with the term “another sex”.

- **SB 464**

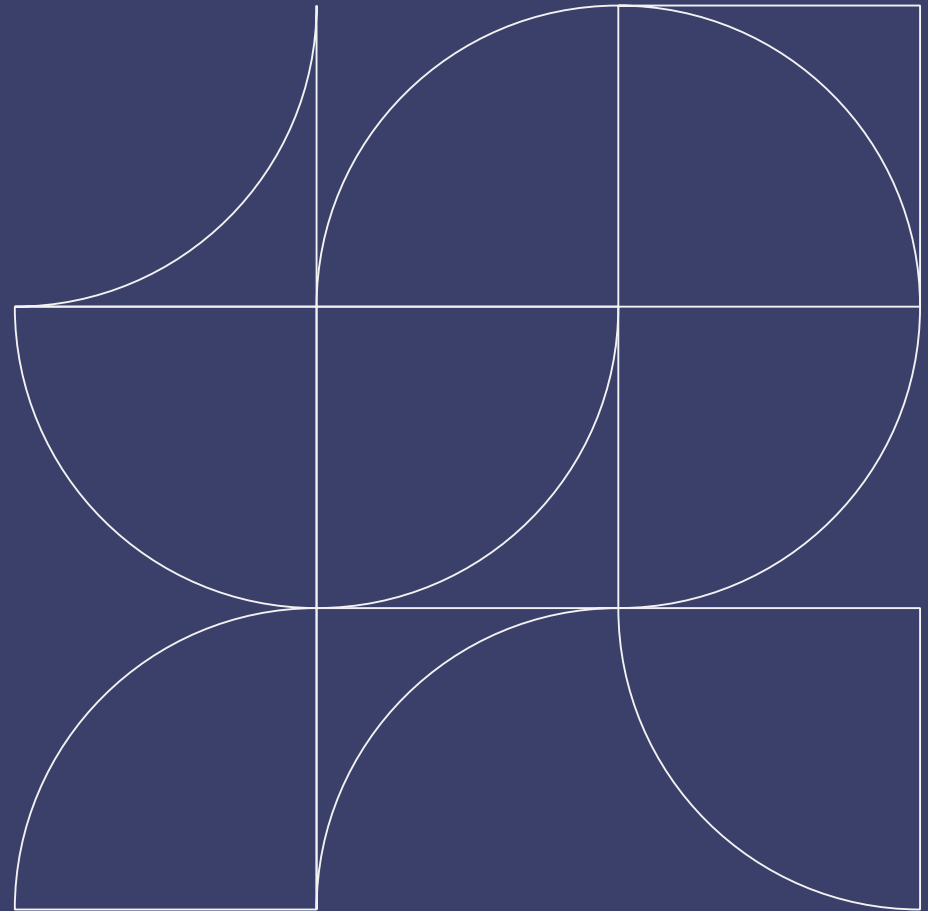
- Requires employers with 100+ employees to collect and store any demographic information an employer or labor contractor gathers for purposes of submitting the required pay data report to the CRD separately from employee’s personnel records.
- Imposes a civil penalty against an employer that fails to file the pay data report upon CRD request.
- Beginning January 1, 2027, the number of job categories on which the employer must report increases from 10 to 23.

AB 250 Extended SOL for Sexual Assault / Harassment Claims

SB 303 FEHA - Bias Mitigation Training

- **AB 250**
 - Extends the period to revive claims for damages suffered due to an alleged sexual assault that would otherwise be barred prior to January 1, 2026, due to expired SOL.
 - Also revives derivative claims for wrongful termination and sexual harassment.
 - The plaintiff must demonstrate that one or more entities legally responsible for damages engaged in a “cover up.”
 - These claims may proceed if already pending in court on January 1, 2026, or if commenced between January 1, 2026, and December 31, 2027.
- **SB 303**
 - An employee’s assessment, testing, admission, or acknowledgement of their own personal bias made in good faith that is solicited or required as part of a bias mitigation training **does not** constitute unlawful discrimination under FEHA.

Leave Laws



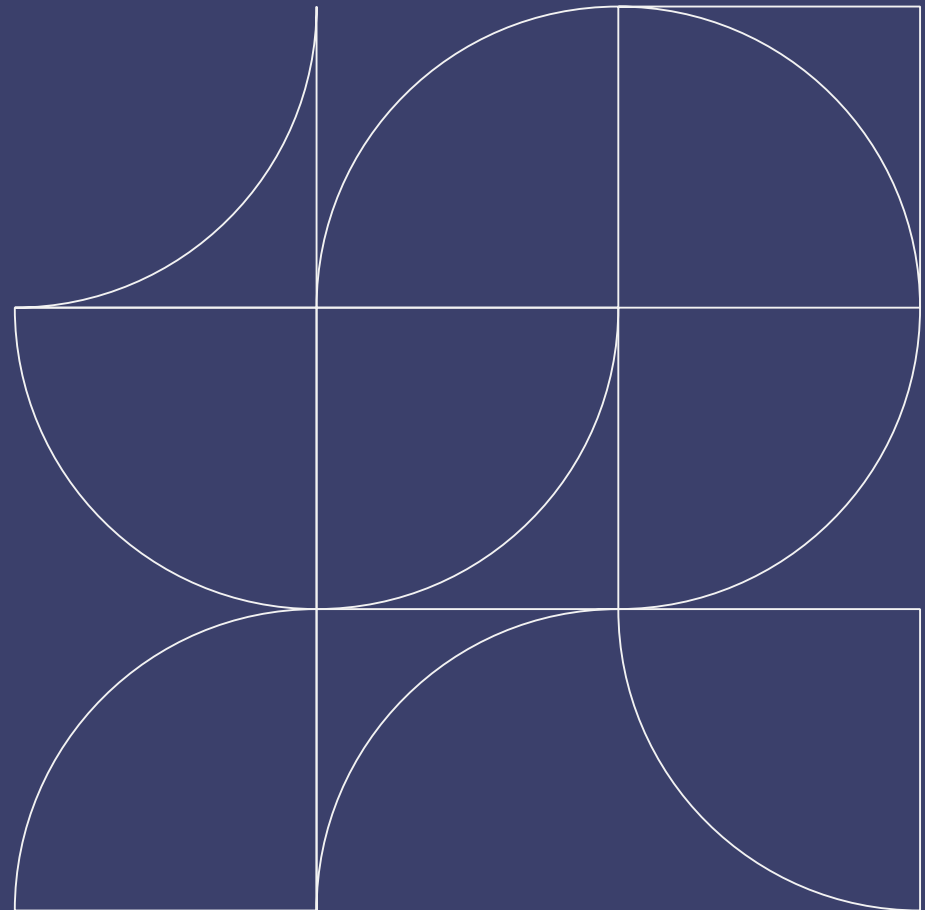
AB 406 Employment – Unlawful Discrimination: Victims of Violence

- **Expanded Reasons for Use:**
 - Beginning January 1, 2026, employees can use paid sick leave to take time off to attend judicial proceedings if the employee or a covered family member are a victim of *certain* crimes and are attending judicial proceedings related to that crime.
 - This new reason for leave will also be covered under California’s unpaid job-protected leave.
- **Reinstated DLSE Enforcement Through Dec. 31, 2024:**
 - Prior to January 1, 2025, employees could file complaints with the DLSE for discrimination or retaliation for exercise of certain rights, including the right to take time off to serve on a jury or to obtain specific crime-related relief.
 - In 2025 enforcement authority was transferred to the CRD.
 - The amended law reinstates the DLSE’s enforcement authority for alleged actions occurring up to **December 31, 2024.**

SB 590 Paid Family Leave – Designated Person

- Beginning July 1, 2028, paid family leave benefit eligibility expands to include individuals who take time off work to care for a seriously ill “designated person.”
- “Designated person” = any individual related by blood or whose association with the employee is the equivalent of a family relationship.

WARNings, Rehiring, & Wage and Hour Laws



SB 617 **California Worker Adjustment and Retraining Act**

AB 858 **Rehiring and Retention of Displaced Hospitality Workers**

- **SB 617**
 - Amends the CA WARN Act to require employers to include in their WARN notices:
 - Whether the employer plans to coordinate services through the local workforce development board or another entity; and
 - Information about CalFresh, a statewide food assistance program.
- **AB 858**
 - Extends certain hospitality employees' right to rehire after being laid off for COVID-related reasons from December 31, 2025, to January 1, 2027.
 - Applies to the following industries:
 - Hotels
 - Private Clubs
 - Event Centers
 - Airport Hospitality Operations
 - Airport Service Providers
 - Building services to office, retail, or other commercial buildings
 - Allows DLSE enforcement of violations occurring before December 31, 2026, to be enforced after the revised sunset date.

SB 648 Enforcing Tip Theft

SB 261 DLSE Enforcement of Wage Judgments

- **SB 648**
 - Authorizes the Labor Commissioner to investigate and issue a citation or file a civil action for any gratuities taken or withheld by an employer.
- **SB 261**
 - Employers who do not satisfy wage awards against them within 180 days are subject to the following measures:
 - Labor Commissioner will post the unsatisfied award against the employer on its website.
 - Employer will be subject to a civil penalty of not more than 3x the amount of the outstanding judgment.
 - The prevailing judgment creditor in an action may enforce payment of the judgment to recover reasonable attorneys' fees and costs.
 - Employers may seek to have the penalty amount reduced pursuant to a showing of good cause by clear and convincing evidence.
 - Any Court-assessed civil penalty would be distributed 50% to the employee and 50% to the DLSE for enforcement of labor laws.

AB 692 Certain “Stay or Pay” Employment Contract Prohibition

- Makes void employment contracts entered into on or after January 1, 2026, that require the worker repay to an employer a debt if the worker’s employment or work relationship terminates.
- **Exceptions:** Certain agreements, incl. tuition payments, discretionary bonuses, or relocation payments, if:
 - Repayment terms are in a separate agreement from the primary employment contract;
 - Worker is advised of the right to consult an attorney and given at least 5 business days to do so before signing;
 - Any repayment obligation for early separation must be prorated based on the remaining retention period (up to 2 years) and cannot accrue interest;
 - Worker must have the option to defer receipt of the payment until the end of the retention period without repayment obligation; and
 - Repayment may only apply if the employee leaves voluntarily or is terminated for misconduct.
- **Penalties/Private Right of Action:** Actual damages or up to \$5,000 in penalties per worker, injunctive relief, and attorneys’ fees and costs.

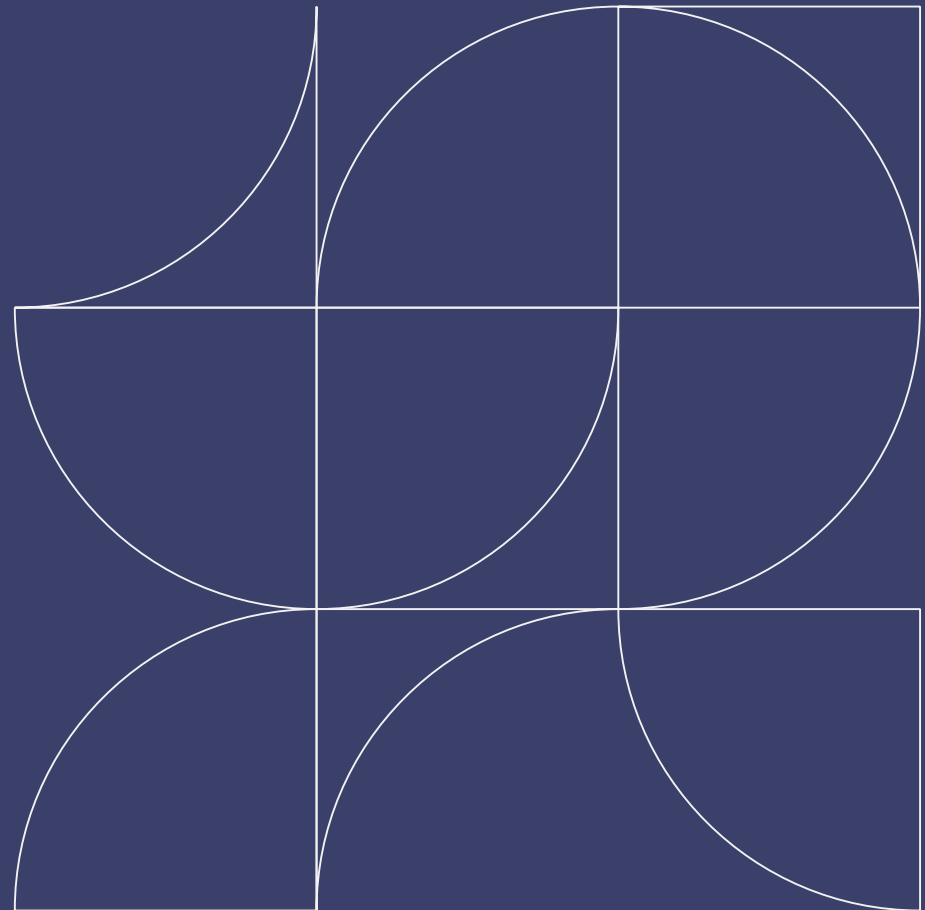
SB 294 The Workplace Know Your Rights Act

- **Notice of Workers' Rights:** On or before February 1, 2026, annually thereafter, and at the time of hire, employers must provide a stand-alone written notice to employees describing certain workers' rights.
 - Labor Commissioner must develop a template notice by January 1, 2026.
- **Employees' Emergency Contacts:** By March 30, 2026, employees must have the opportunity to ID an emergency contact their employer must notify if the employee is detained at work or if off-site during work hours, if the employer has actual knowledge.
 - CBA waiver of this provision is permissible, if set forth in clear and unambiguous terms.
- **Penalties:** \$500 per employee per violation.
 - Emergency contact provision penalty: up to \$500 per employee for each day the violation occurs, up to a maximum of \$10,000 per employee.

AB 774 Wage Garnishment

- An employer's return that must be provided to a levying officer must include the following information:
 - the date that the employer provided the judgment debtor with the earnings withholding order; the notice of earnings withholding order;
 - the name and title of the person who provided the order and notice; and
 - a short description of the manner in which the order and notice were provided.

Records and Civil Litigation Laws

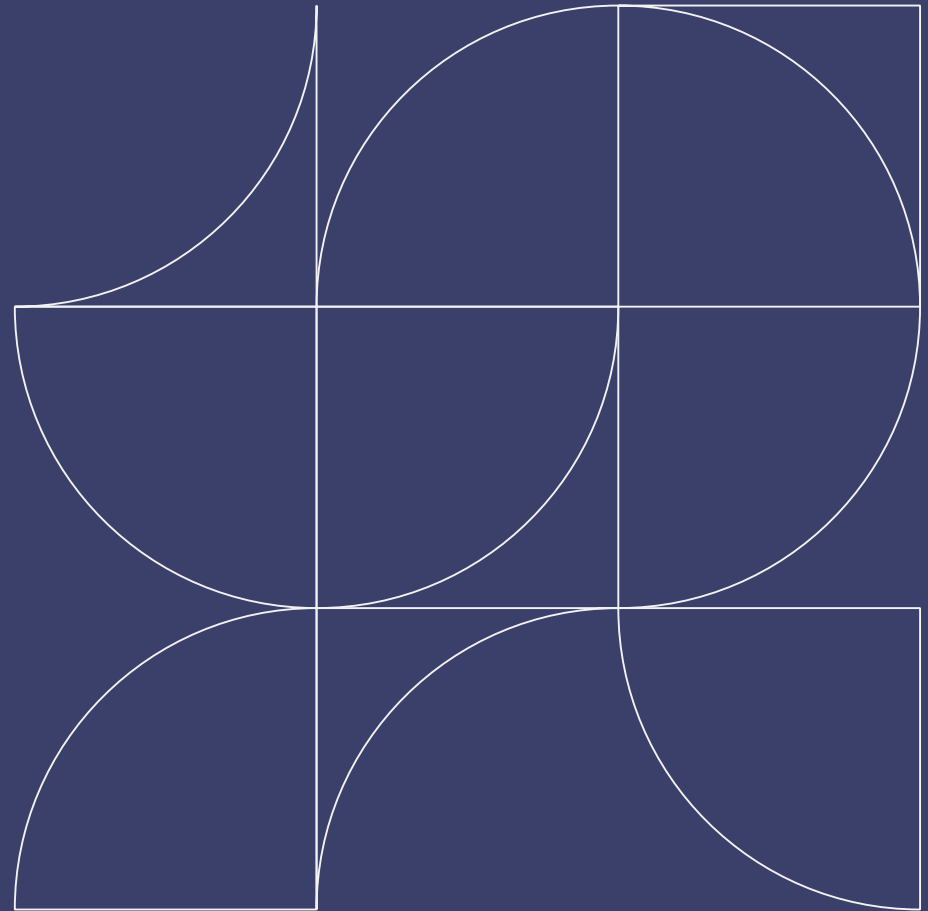


SB 513 Personnel Records

SB 66 Civil Discovery

- **SB 513**
 - Requires personnel records relating to employees' performance include education and training records.
 - Employers must ensure those records contain:
 - Employee name;
 - Training provider name;
 - Duration and date of the training;
 - Core competencies of a training, including skills in equipment or software; and
 - The resulting certification or qualification.
- **SB 66**
 - Removes January 1, 2027, sunset date from initial disclosure requirements in civil actions, so the requirement is indefinite.

Industry-Specific New Laws



SB 693 **Employees – Meal** **Periods**

AB 751 **Rest Periods –** **Petroleum Facility** **Safety Sensitive** **Positions**

SB 693

- Expands categories of employees exempt from the state’s meal period requirements to include employees of a “water corporation.”
- “Water corporation” is defined as “every corporation or person owning, controlling, operating, or managing any water system for compensation within this State.”

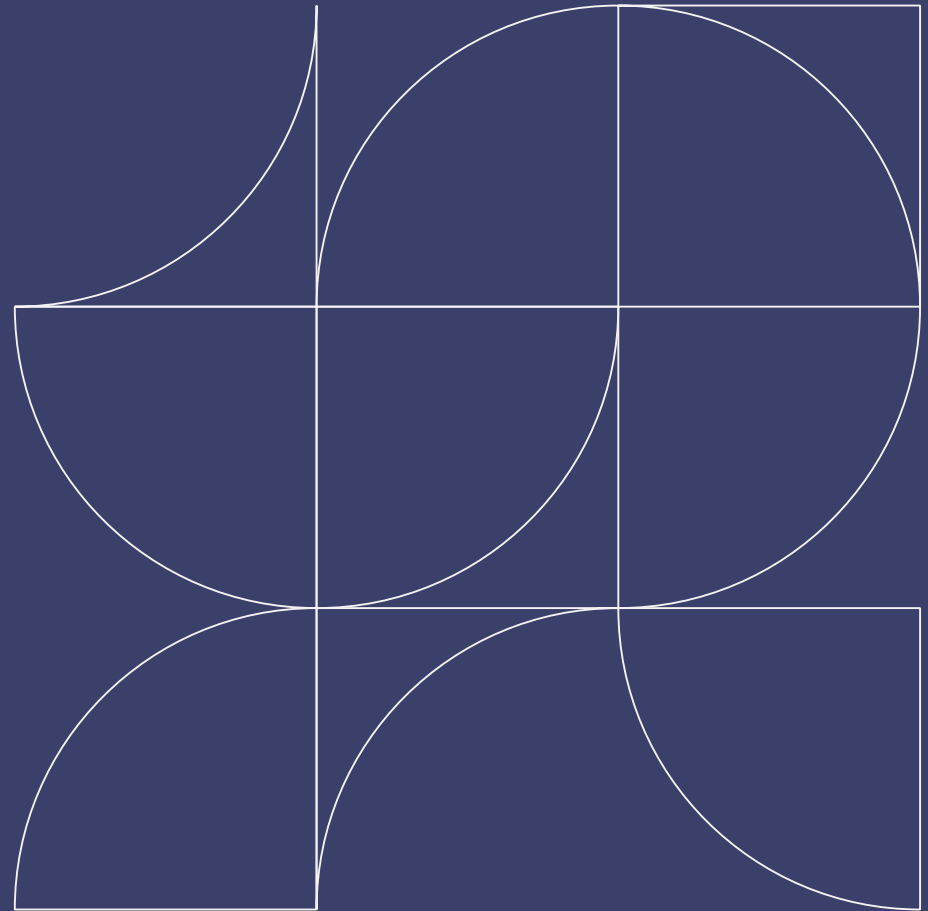
AB 751

- Extends rest period exemption to safety-sensitive positions at a petroleum facility.
- Confirms exemption applies to employees who hold a safety-sensitive position at a refinery that produces fuel through the processing of alternative feedstock.

SB 809 Independent Contractors and Employee Vehicle Business Expenses

- **Vehicle Ownership:** Confirms that a person's mere ownership of a personal or commercial vehicle used to provide labor or services for pay does not make that person an independent contractor.
- **Expense Reimbursement:** Establishes an employer's duty to indemnify its employees for necessary business expenses or losses when the employee uses their own vehicle for work.
 - Applies to: **(a)** construction trucking, and **(b)** a commercial motor vehicle driver who owns the truck, tractor, trailer, or other commercial vehicle used for work.
 - Reimbursement amount: Can be either a flat rate reimbursement or a mileage-based reimbursement.
 - To be negotiated by the driver and employer or by the applicable union and employer.
- **Construction Trucking Employer Amnesty Program:** Program established to relieve an eligible constructor contractor of liability for statutory or civil penalties associated with the misclassification of drivers as independent contractors if the contractor executes a settlement agreement with the Labor Commissioner by January 1, 2029, that contains certain driver classification provisions.

Vetoed/Failed Bills



- **SB 7 – Automated Decision Systems:** Would have required employers utilizing artificial intelligence “automated decision systems” to make “employment-related decisions” to provide pre-use and post-use written notice of that use to all workers directly or indirectly affected by the system.
- **SB 355 – Judgment Debtor Employers:** Would have required that, within 60 days after a judgment is entered against an employer requiring payment to an employee or to the state, that the employer inform the Labor Commissioner of satisfaction of payment and other terms.
- **SB 703 – Ports/Truck Drivers:** Would have required trucking companies and truck drivers not classified as employees by the company, to provide to the Port of Long Beach or Port of Los Angeles, information including the trucking company’s sworn affidavit that the company is withholding all required taxes from the wages of any driver who is considered an employee.
- **AB 1136 – Immigration-Related Leave:** Would have required employers with more than 25 employees, upon an employee’s request, to provide up to 5 unpaid days/year to attend meetings, in which they are required to be present, related to their immigration status, work authorization, visa status, or any other immigration-related matter.
- **AB 1326 – Right to Wear a Mask:** Would have provided individuals with the right to wear a medical grade mask in a public place to protect themselves or the public with regard to communicable disease, air quality, or other health factors.



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