



Ezra, Brutzkus, Gubner, LLP

Employment Law Update

2008 California Employment Laws

California Minimum Wage Increased

On January 1, 2008, the minimum wage in California will be increased from \$7.50 per hour to \$8.00 per hour. As a result of this increase, the salary requirement for the executive, administrative, and professional exemptions will also be increased from \$2,600 per month (\$31,200 per year) to \$2,733.33 per month (\$32,800 per year).

Use of Social Security Numbers on Itemized Wage Statements Prohibited

Also effective January 1, 2008, California employers are prohibited from printing more than the last four digits of an employee's Social Security Number on the itemized wage statements required by California Labor Code section 226. Employers may place either the last four digits of the Social Security Number, or establish new employee identification numbers to place on the itemized wage statements.

Employers Must Provide Military Spouses Unpaid Leave

All California employers with 25 or more employees must provide up to 10 days of unpaid leave to qualified spouses of military personnel as of October 1, 2007. In order to qualify for such a leave, employees must work an average of 20 or more hours per week and may not be independent contractors. Employees are entitled to leave when the employee's spouse is a member of any branch of the United State's Armed Forces (i.e., Army, Navy, Air Force, Marines, Coast Guard), National Guard or Armed Forces Reserves, who is on leave from deployment during a period of military conflict. The law specifically prohibits retaliation against employees who assert their rights under this law.

Employers Must Notify Employees of Eligibility for Tax Credits

Effective January 1, 2008 all California employers are required to provide all employees with written notice of their potential right to an Earned Income Tax Credit (EITC) on their federal income tax returns. The notice must be provided within one week of when an employer distributes annual wage summaries (IRS Form W-2) to its employees. The notice must be either hand-delivered or mailed to employees within this timeframe.

In addition, there have been changes in federal laws that will also affect California employers.

IRS Mileage Rate Increased

Effective January 1, 2008 the Internal Revenue Service has increased the standard mileage rate from 48.5 cents to 50.5 cents per mile. The California Division of Labor Standard Enforcement issued a proposed regulation which provided that an employer who uses the IRS mileage rate to reimburse employees for personal automobile use will satisfy the employer's duty to reimburse employees for work-related expenses under the California Labor Code. Those regulations further provided that an employer who does not use the IRS mileage rate has the burden of establishing reimbursement for actual automobile expenses incurred by an employee. In order to satisfy the requirement of actual reimbursement an employer would be required to maintain complete and accurate records of all costs associated with each vehicle used by the employee for which indemnification is required. The implementation of the proposed regulations is pending the California Supreme Court's decision in *Gattuso v. Harte-Hanks Shoppers, Inc.*

New EEO-1 Report Must be Used by Employers

Employers have been required to use the newly revised EEO-1 survey report as of September 30, 2007. The revised report contains new race and ethnic categories, and renames certain categories. The Equal Employment Opportunity Commission has encouraged employers to resurvey all current employees using the new race and ethnic categories. Employment figures must still be based on any one pay period between July and September of the survey year.

Ezra Brutzkus Gubner LLP offers its clients advice and counsel in all areas of labor and employment law. **Richard L. Mann** has 30 years of experience representing employers around the nation in all aspects of labor and employment law including discrimination, wrongful termination and wage-hour disputes and traditional labor relations. Mr. Mann has represented employers in a variety of industries including apparel, hospitality, manufacturing, transportation, entertainment, packaging and various service industries.

The EB+G Update is intended to present a brief overview of current legal issues. Nothing contained in this Update should be understood to be legal advice on a specific, individual matter. It is general commentary on the subjects discussed. Your questions and comments are welcome.