

STATE OF CALIFORNIA Labor & Workforce Development Agency

GOVERNOR Gavin Newsom • SECRETARY Julie A. Su

Agricultural Labor Relations Board • California Unemployment Insurance Appeals Board California Workforce Investment Board • Department of Industrial Relations Employment Development Department • Employment Training Panel

NEWS RELEASE

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California Labor and Workforce Development Agency Launches Employment Status Law Resource Website for Workers and Employers

AB 5 set to take effect on January 1, 2020

SACRAMENTO—California Labor and Workforce Development Agency Secretary Julie Su today announced the release of a new resource website to provide resources and information to workers and employers on the Employment Status Law, or AB 5, which is set to take effect January 1, 2020.

The website, <u>Labor.ca.gov/EmploymentStatus</u>, is a one-stop shop for online resources for workers and employers, and the Labor Agency and its departments, including the Employment Development Department, Labor Commissioner's Office, Cal/OSHA, and Division of Workers' Compensation, are coordinating the information and services about this new law and its enforcement.

"Misclassification, or labeling a worker as an independent contractor when they should be an employee, undermines businesses who play by the rules and basic worker protections like minimum wage, paid sick days, and the safety of workplaces," said Secretary Su. "This website is meant to be a resource for California's workers and employers to ensure a smooth implementation of the law."

AB 5, by Assemblymember Lorena Gonzales (D-San Diego) was signed into law by Governor Gavin Newsom in September. The new law addresses employment status when a worker is claimed to be an independent contractor. AB 5 generally requires the application of the "ABC test" to determine if workers in California are employees or independent contractors for purposes of the Labor Code, the Unemployment Insurance Code, and the Industrial Welfare Commission (IWC) wage orders. AB 5 provides exceptions to the ABC test for specified instances where certain requirements are met.

The Labor.ca.gov/EmploymentStatus portal includes information on the ABC test, and also has <u>Frequently Asked Questions</u> (FAQ) about AB 5 and other resources to assist

workers and businesses seeking additional information about misclassification, employee protections, and employer obligations.

The website additionally contains information on labor laws and employee rights, including links on how to file a wage claim or retaliation complaint, report a health and safety violation, or apply for workers' compensation, unemployment or disability benefits. Employers who visit the portal will be able to find information to assist them in determining the employment status of their workers and understanding their legal obligations as employers, including information regarding workplace health and safety laws, wage and hour laws, workers' compensation obligations, and payroll tax requirements.

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