Los Angeles Fair Work Week Ordinance Imposes New Wage and Hour Requirements for Certain Retail Businesses

In November 2022, the Los Angeles City Council passed the <u>Fair Work Week Ordinance</u>, which requires retail businesses in Los Angeles with 300 employees or more to follow certain scheduling restrictions. The ordinance applies to businesses in the North American Industry Classification System (NAICS) within the retail trade categories and subcategories 44 through 45. It covers employees who work at least two hours per workweek within the city of Los Angeles and are entitled to minimum wage under California law.

Among other requirements, the ordinance requires covered employers to provide employees with their work schedules 14 calendar days in advance. The employer must also give an employee written notice if the employer makes changes to the employee's schedule. The employee then has the right to decline any changes or voluntarily consent to the changes in writing. The ordinance also requires covered employers to provide employees with a 10-hour rest period between shifts unless the employee provides written consent for a shorter period.

Additionally, the ordinance provides for "predictability pay" when an employer makes changes to an employee's schedule. If a change does not result in the loss of time to the employee or does result in additional work time for the employee that exceeds 15 minutes, the employer must provide one additional hour of pay at the employee's regular rate. If an employer reduces an employee's work schedule time by 15 minutes or more, the employer must pay one-half of that employee's regular rate of pay for the time they do not work.

Covered employers must post a notice informing employees of their rights under the ordinance. The ordinance is set to take effect on April 1, 2023. Businesses and individuals with questions regarding Los Angeles's Fair Work Week Ordinance or California wage and hour laws should contact experienced counsel for guidance on related policies and practices.

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