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Subject: Department of Industrial Relations highlights new laws slated to take effect in 2012

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Department of Industrial Relations highlights new laws slated to take effect in 2012

Oakland—The California Department of Industrial Relations (DIR) highlights new laws that apply to California employers and take effect Jan. 1, 2012. The new laws are designed to provide protections for employees and detail requirements for new hires. Other new laws allow for employer savings in their workers' compensation costs.

Starting on Jan. 1, 2012, California employers must provide additional information to new hires that are not exempt from overtime, are not public employees, or subject to certain collective bargaining agreements. Assembly Bill, (AB) 469 requires a written notice be provided at the time of hire that contains specified information about rate of pay, pay day designation, physical address of the employer's main office and the name, address, and phone number of the employer's workers' compensation carrier. A template of the written notice is available from the California Labor Commissioner at www.dir.ca.gov/dlse.

Another bill addressing new hires is AB 22, which prohibits employers from obtaining and using consumer credit information for applicants or employees unless the positions meet one or more of the law's exemption criteria. Exemptions to this requirement include law enforcement positions, positions that require regular access to bank and credit information or that require access to confidential or proprietary information, and to the employer's bank accounts or cash.

AB 1236 prohibits state or local government employers from requiring a private employer to use the federal E-Verify program unless required by federal law or as a condition of receiving federal funds. E-Verify is a federally created program that allows employers to use an internet based system to electronically verify the employment eligibility of new hires.

Under the new requirements of AB 243, farm labor contractors are now required to include, in the itemized information on employee pay statements, the name and address of the legal entity (usually a grower) that secured the services of the farm labor contractor.

Several new laws address public works projects. AB 436 creates a new program to monitor and enforce prevailing wage requirements on public works projects that receive state bond funding. This program will have a special role in ensuring public works construction workers are promptly paid the proper prevailing wage rates and in helping maintain a level playing field for

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contractors who comply with the law. Information about this program can be found at www.dir.ca.gov/cmuc.

Employers working on public projects must also ensure that they are paying the proper prevailing wage. AB 551 increases the maximum penalty for each worker paid less than the determined prevailing wage. This bill also increases the penalty for failure to respond to a written request from the Labor Commissioner for payroll records.

AB 514 clarifies when the hauling of refuse, from a public works site to an outside disposal location, requires the payment of prevailing wages.

Senate Bill, (SB) 136 defines public works so that the prevailing wages apply to work performed in connection with the construction or maintenance of renewable energy or energy efficiency improvements where certain conditions are met.

Payment rules for dispensing medical equipment and drugs, including compounded drugs, are prescribed by AB 378. This bill also reduces inappropriate financial incentives in order to lower workers' compensation costs by prohibiting referral of a patient to a pharmacy in which the physician has financial interest.

AB 1168 lowers workers' compensation costs by establishing a fee schedule for vocational experts. This will prohibit vocational experts from being paid fees in excess of what is allowed under the schedule.

SB 826 establishes a penalty schedule for addressing violations of workers' compensation data reporting requirements by claims administrators.

For a more complete list of new laws that fall within the jurisdiction of the Department of Industrial Relations visit www.dir.ca.gov.

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