

## California's "Sue Your Boss" Law - Compliance Audits Under the California Labor Code and Private Attorneys General Act of 2004

2004

Some of the most sweeping changes to employment law in recent years are contained in the Private Attorneys General Act of 2004 ("PAGA"). The law has been nicknamed the "Sue Your Boss Law" because of the incentives it gives employees to sue employers. It applies to all California employers and emphasizes the need for total compliance with California's unique and broad-sweeping rules.

The law encourages lawsuits over minor and major violations while discouraging employees from using internal complaint procedures to resolve problems. It has generated lawsuits that the Legislature has referred to as "frivolous." Penalties for a single violation can equal \$100 for each employee times the number of pay periods. As an example, an employer with only 100 employees could face penalties of \$10,000 per pay period for just one violation. If the employer uses weekly pay periods, that can produce \$520,000 a year in penalties alone. Strikingly, the penalties can be doubled for subsequent violations.

In this publication, Attorney Richard J. Simmons of the law firm of Sheppard, Mullin, Richter & Hampton LLP reviews the new law. He also identifies proactive strategies, high risk areas, and audit topics that are designed to aid compliance efforts and reduce exposure to liability.

To order this book, please visit <http://www.castlepublications.com/sueyourboss.htm>.

### Attorneys

Richard J. Simmons