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# Los Angeles County's Predictable Scheduling Ordinance Will Take Effect on July 1, 2025

May 6, 2024 By <u>Catherine L. Hazany</u>

On April 23, 2024, the Los Angeles County Board of Supervisors voted to implement a fair workweek predictable scheduling ordinance, which will go into effect on July 1, 2025. The ordinance, which is similar to an ordinance issued by the City of Los Angeles, applies to retail employers with at least 300 or more employees nationwide (including those employed through temporary service firms or staffing agencies and by franchisees) who work in the unincorporated areas of Los Angeles County at least two hours per workweek.



## **Quick Hits**

Retailers with at least 300 or more employees worldwide and that have employees in the County of Los
 Angeles will be required to provide their employees with predictable schedules.

- The county ordinance is similar to a City of Los Angeles ordinance that took effect in April 2023.
- The ordinance takes effect on July 1, 2025.

Like the Los Angeles Fair Work Week Ordinance that took effect approximately one year ago, on April 1, 2023, under the county ordinance, retailers with employees who work in the unincorporated parts of Los Angeles County will need to provide employees with their work schedules fourteen days in advance, good faith estimates of their schedules, rest between shifts, and offer extra hours to current employees before hiring new workers under the ordinance.

Los Angeles County is the latest jurisdiction to pass a predictable scheduling law, joining New York City, Philadelphia, San Francisco, Seattle, and Oregon, among others.

The Los Angeles County ordinance is almost a mirror image of the city's ordinance. The county adds a few provisions that are not currently reflected in the city's ordinance:

- Employees can request employers not to post their schedule if they have a substantiated safety issue (except management that would need to know the employee's schedule).
- In addition to the same records required by the city, the county requires employers to retain records of how to calculate predictability pay.
- The county will provide certain templates to assist employers.
- The ordinance will impose an administrative fine for "substantially deviating" from the good faith schedule estimate provided upon hire.

Below is a summary of the key provisions of the ordinance issued by the County of Los Angeles.

#### **Good Faith Estimate**

The county ordinance will require retail employers to provide a "written Good Faith Estimate" of an employee's work schedule to each new employee and to any current employee within ten days of a request. The good faith estimate is not meant to constitute a "binding contract or offer"; however, if employees' actual hours "substantially deviate" from the good faith estimate, employers will be required to have a "documented, legitimate business reason, unknown at the time" the good faith schedule estimate was provided.

Under the ordinance, employees will have a "right to request a preference for certain hours, times, or locations of work." Employers do not have to accept the requests so long as they notify the employee in writing with a reason for the denial.

#### **Work Schedule**

Retail employers will be required to provide employees with "written notice" of their work schedules at least fourteen calendar days in advance by either posting the schedule in a "conspicuous and accessible location" where notices are "customarily posted" or by transmitting the schedule electronically or "another manner reasonably calculated to provide actual notice." If any changes are made to the schedule after it is posted, employers will be required to provide written notice to the employees. Under the ordinance, employees will have a right to decline any hours, shifts, or work locations not on the schedule. If an employee agrees to work hours or shifts not included in the schedule, the "consent must be documented."

#### **Additional Work Hours**

Before hiring new workers or using contractors or temporary workers, retail employers will be required to "first offer the work to current [r]etail [e]mployees if [o]ne or more of the current [r]etail [e]mployees is qualified to do the work as reasonably determined by the [r]etail [e]mployer" and the additional work hours will not result in employees getting premium payment for overtime. Such offers of more work hours must be made to current employees either in writing or by posting in a "conspicuous location" or where notices are "customarily posted."

Further, the offers must be made seventy-two hours prior to hiring any new employee and current employees must be given forty-eight hours to accept. Employers may hire new workers or use contractors or temporary workers only after the forty-eight-hour acceptance period or at any time in the seventy-two-hour prior notice period if they receive "written confirmation" from all the current employees that they do not accept the additional hours.

## **Predictability in Pay**

Employees who have their schedules altered under certain circumstances by the employer will be entitled to pay premiums. Employers must compensate employees for an additional hour of pay at their regulate rate for each change to employees' date, time, or location of work from the posted work schedule that does not result in a loss of time to the employee or does not result in more than fifteen minutes of additional work time. Employers will be required to compensate employers for one-half of employees' regular rate of pay for time not worked if the employer reduces the employees' time from that on the posted schedule by at least fifteen minutes.

However, such "predictability pay" will not be required if an employee: (1) requested the change; (2) agrees to cover for an absent employee (though the employer must inform the employee that acceptance is voluntary); (3) accepts extra hours offered prior to the hiring of new employees or the use of contractors or temporary workers; or (4) has hours reduced due to a violation of the law or the "[e]mployer's lawful

policies and procedures." The predictability pay will further not be required if an employer's operations "are compromised" pursuant to law" or the extra hours will result in overtime premium pay.

## **Rest Between Shifts**

Employers will not be allowed to schedule an employee shift that starts less than ten hours from the employee's previous shift without written consent and must pay employees "a premium of time and a half for each shift not separated by at least ten (10) hours." (The city of Los Angeles made clear this is to prevent "clopening shifts," i.e., employees working successive closing and opening shifts. The second shift would be paid at the premium rate if not already paid at the overtime premium rate.)

#### **Other Protections**

Employers will not be allowed to force employees to find coverage for shifts or partial shifts they must miss "for reasons protected by law." Employers will also be prohibited from discharging, reducing compensation, discriminating against, or otherwise retaliating against employees who seek to enforce their rights under the ordinance. Additionally, the ordinance imposes requirements that employers retain records of the work schedules and other records tied to the requirements of the ordinance for at least three years.

## **Key Takeaways**

Retailers in the City of Los Angeles are already operating pursuant to the Fair Work Week Ordinance and will not need to make additional changes to their operations. For retailers that do not operate in the City of Los Angeles, the ordinance imposes some burdensome scheduling and pay predictability requirements and could make scheduling and staffing more challenging for covered retail employers. Notably, the ordinance will require employers to provide notice of schedules and obtain acceptance to changes in writing, which may differ from typical procedures at many retail businesses. As such, retail employers in Los Angeles County may want to review their scheduling procedures and policies in light of these upcoming requirements.

Ogletree Deakins will continue to monitor developments and will provide updates on the firm's California, Retail, and Wage and Hour blogs as additional information becomes available.

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