Maintenance Cooperation Trust Fund

# UNDERSTANDING THE "A FAIR DAY'S PAY ACT"

*A brief guide to California's Senate Bill 588 and how to comply with it*

Wage law violations are a widespread problem among working Californians, and weak legal remedies have left many without the back pay or restitution to which they are entitled. Effective as of 2016, **SB 588** expands the powers of California's Labor Commissioner to collect illegally unpaid wages for unmet wage obligations.

**COMPLIANCE:** Requires full compliance with existing wage laws by all businesses, managers, and subcontractors. Requires employers to post a bond in some cases.

**LIABILITY:** Failure to comply with these requirements could lead to civil penalties, a stop order, misdemeanor, or in the case of the long-term care industry, the revocation of business license.

## The bill:

1. Allows the Labor Commissioner to hold individuals accountable for wage theft, building on law that allows the Commissioner to hold companies accountable.
2. Allows the Labor Commissioner to directly collect awards from employers through prejudgment property liens and mailing bank levies.
3. Encourages the Labor Commissioner to work with the California Departments of Public Health and Social Services to investigate wage theft claims in the long-term care industry.
4. Extends liability for wages from subcontractors to the companies that employ them in the property services and long-term care industries.
5. Requires employers to post a bond when a final judgment against the employers has been decided but not paid.
6. Prohibits a business from closing down and opening up with a new name to avoid wage obligations.