

N E W S R E L E A S E

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DIR Announces New Law on Compensation for Piece-Rate Workers

Oakland—The Department of Industrial Relations (DIR) announced today a new law that goes into effect as of January 1, addressing requirements to pay piece-rate workers for mandated rest and recovery periods and other nonproductive work time.

Assembly Bill 1513, authored by Assemblymember Das Williams (D – Carpinteria) and signed into law by Governor Brown on October 10, adds section 226.2 to the Labor Code and requires that piece-rate employees receive a separate hourly wage for those periods of work time when they are not generating piece-rate earnings. Piece-rate compensation refers to paying an employee a specified sum for completing a particular task or making a particular item and is generally contrasted with hourly compensation, which pays employees based on hours worked.

“AB 1513 helps ensure piece-rate workers receive fair pay for their work and specifically, that piece-rate workers are compensated fairly for rest and recovery periods. It’s important that employers note relevant upcoming deadlines for paying back wages to take advantage of the penalty relief provisions of this new law,” said Labor Commissioner Julie A. Su. The Labor Commissioner’s Office is a division of the Department of Industrial Relations (DIR).

The piece-rate compensation law establishes pay requirements for mandated rest and recovery periods and other nonproductive time, and related requirements for employee wage statements.

The law also provides employers with a grace period to make back-wage payments to workers if they choose to participate in a program to pay for previously uncompensated or undercompensated rest and recovery periods, and other nonproductive time. Employers who make the back payments will have a legal defense to claims for damages or other penalties associated with any alleged prior failure to pay what was due for such time.

For employers that elect to participate, the back payments are required for the time period of July 1, 2012 through December 31, 2015, and must be made no later than December 15, 2016. Employers who elect to participate also must notify DIR of their decision by no later than July 1, 2016, either by filling out an [online notification form](#), or by sending the notification via regular mail.

DIR has posted additional information online on the [piece-rate legislation](#), including detailed [FAQs](#) and a [fact sheet](#). Answers to other questions about the new law can be obtained by sending an email to AB1513@dir.ca.gov.

DIR protects and improves the health, safety and economic well-being of over 18 million wage earners, and helps their employers comply with state labor laws.

DIR's Division of Labor Standards Enforcement (DLSE), also known as the [Labor Commissioner's Office](#), enforces prevailing wage rates and apprenticeship standards in public works projects, inspects workplaces for wage and hour violations, adjudicates wage claims, investigates retaliation complaints, issues licenses and registrations for businesses and educates the public on labor laws.

Members of the press may contact Erika Monterroza or Peter Melton at (510) 286-1161, and are encouraged to [subscribe to get email alerts](#) on DIR's press releases or other departmental updates.

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The [California Department of Industrial Relations](#), established in 1927, protects and improves the health, safety, and economic well-being of over 18 million wage earners, and helps their employers comply with state labor laws. DIR is housed within the [Labor & Workforce Development Agency](#). For general inquiries, contact DIR's Communications Call Center at 844-LABOR-DIR (844-522-6734) for help in locating the appropriate [division or program](#) in our department.