

N E W S R E L E A S E

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Reminder: July 1 Deadline for Employers to Participate in AB 1513's Safe Harbor from Penalties on Piece-Rate Back Payments

Oakland—The Department of Industrial Relations (DIR) today reminds employers of the July 1 deadline to notify DIR of their intention to make back payments to piece-rate workers in exchange for relief from statutory penalties and other damages.

[Assembly Bill 1513](#), authored by Assemblymember Das Williams (D-Carpinteria) and signed into law by Governor Brown in 2015, established pay requirements for piece-rate workers for mandated rest and recovery breaks and other nonproductive time. The new law also provides a short window of time for employers to make back wage payments to piece-rate workers for rest and recovery breaks and other nonproductive time in exchange for penalty relief provisions.

“I introduced this bill to clarify confusion in the statute after two landmark court cases and, with the support of employers and workers, established a fair and manageable method of payment for ‘rest breaks’ and ‘non-productive time,’” Assemblymember Williams said. “This bill provides employers who were facing costly litigation with a window of time from liability to justly compensate employees for back pay without having to pay penalties.”

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 are electing to participate, the back payments are required for the time period of July 1, 2012 through December 31, 2015, and must be paid no later than December 15, 2016. Employers who elect to participate also must notify DIR of their decision by Friday, July 1, either by completing the [online notification form](#), or by sending the notification in U.S. mail.

“I encourage employers to take advantage of this safe harbor penalty relief by notifying the department by July 1 of their election to make back payments to affected piece-rate workers,” said Labor Commissioner Julie A. Su. The Labor Commissioner’s Office is a division of the Department of Industrial Relations.

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. 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.