BENEFITS

VACATION: Paid vacations are not required under California law. If an employer has an oral or written vacation policy, such vacation benefits are considered wages and are earned by the employee on a pro rata basis for each day of work. Because vacation is a form of deferred wages and vests as it is earned, vacation wages cannot be forfeited. (*Suastez v. Plastic Dress Up* (1982) 31 Cal.3d 774) An employer can place a reasonable cap on vacation benefits that prevents an employee from earning vacation over a certain amount of hours. (*Boothby v. Atlas Mechanical* (1992) 6 Cal.App.4th 1595). When an employment relationship ends all vacation earned but not yet taken by the employee must be paid at the time of termination. (Labor Code §227.3). If employees are subject to a collective bargaining agreement, the provisions pertaining to vacation benefits in the collective bargaining agreement will apply. (Labor Code §227.3)

SICK PAY: Sick pay legal requirements under California law are available at www.dir.ca.gov/dlse/ab1522.html

If an employer has a sick leave policy, the employer must permit an employee to use in any calendar year, the employee's accrued and available sick leave, in an amount not less than the sick leave that would be accrued during 6 months at the employee's current rate of sick leave, to attend to an illness of a child, parent, domestic partner, or spouse of the employee. (Labor Code §233)

WORKERS' COMPENSATION INSURANCE: All employers, except the state, are required to have workers' compensation insurance to cover injuries or illnesses sustained on the job. (Labor Code §3700, *et seq.*) An employee who suffers a work-related injury or illness that requires medical treatment beyond first aid must notify his or her employer in writing within 30 days of the injury or illness. (Labor Code §5400) Contact the local Division of Workers' Compensation office for more information regarding workers' compensation claims and benefits at www.dir.ca.gov/dwc.

HOLIDAYS: California law does not require that employers provide employees with paid time off for holidays, observe any holidays, or pay an employee any additional compensation for working on a holiday. Employees should refer to their employer's policy with respect to paid holidays.

MEDICAL AND/OR LIFE INSURANCE: There is no requirement under California law for employers to provide employees with medical and/or life insurance. Employees should refer to their employer's policy with respect to medical and life insurance benefits. An employer who provides employee medical benefits and discontinues those benefits must provide employees with written notice at least 15 days in advance of the discontinuance of coverage. (Labor Code §2806) A terminated employee may be entitled to continued coverage under the federal COBRA act or California's continued coverage requirements. Contact the Department of Health Services at www.dhs.ca.gov. Any health benefits provided by an employer pursuant to the Employee Retirement Income Security Act of 1974, 29 U.S.C. §1001, *et seq.* (ERISA), are subject to federal law. Contact the U.S. Department of Labor at www.dol.gov.

PENSION AND RETIREMENT PLANS: Employee pension and retirement plans are not required under California law. Employees should refer to their employers' policy with respect to pension plans. Any pension plans provided by an employer pursuant to the Employee Retirement Income Security Act of 1974, 29 U.S.C. §1001, et seq. (ERISA), are subject to federal law. Contact the U.S. Department of Labor at www.dol.gov.

SEVERANCE PAY: There is no legal requirement under California law that employers provide severance pay to an employee upon termination of employment. Employees should refer to their employer's policy with respect to severance pay. Severance pay plans provided by an employer pursuant to the Employee Retirement Income Security Act of 1974, 29 U.S.C. §1001 *et seq.* (ERISA), are subject to federal law. Contact the U.S. Department of Labor at www.dol.gov. In certain limited situations, California laws may apply. However, a thorough review of the facts is necessary before a determination can be made.