

DEPARTMENT OF INDUSTRIAL RELATIONS  
DIVISION OF LABOR STANDARDS ENFORCEMENTLEGAL SECTION  
455 Golden Gate Avenue, Room 3166  
San Francisco, CA 94102  
(415) 703-4150H. THOMAS CADELL, JR., *Chief Counsel*

November 17, 1994

William M. Woolman, Esq.  
Jory, Peterson, Watkins & Smith  
555 West Shaw Ave., Suite C-1  
Fresno, CA 93755-5394Re: **Cost of Training**

Dear Mr. Woolman:

This is intended to respond to your letter of November 1, 1994, concerning the question of whether the employer must pay the cost of a class which must be completed by an employee in order for the employee to retain her position.

As I understand the scenario you paint, an employee of your client has been employed for five years and must now obtain a license to sell life insurance in order to remain employed in her current position. I assume that what has happened is that the employee's duties have evolved to the point where the position requires licensure. Either that or the fact that the duties of the employee required licensure has not been recognized until now.

Assuming that these are the facts, I will address the issue you raise.

There is generally no requirement that an employer pay for training leading to licensure or the cost of licensure for an employee. While the license may be a requirement of the employment, it is not the type of cost encompassed by Labor Code § 2802. The most important aspect of licensure is that it is required by the state or locality as a result of public policy. It is the employee who must be licensed and unless there is a specific statute which requires the employer to assume part of the cost<sup>1</sup>, the cost of licensing must be borne by the employee.

There may be situations, however, where licensure is not actually required by statute or ordinance but the employer requires either the training or the licensing (or both) simply as a requirement of employment. In that case, the provisions of Labor Code § 2802 would require the employer to reimburse the cost.

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<sup>1</sup>Cf. Labor Code § 231 which mandates that the employer pay the cost of any physical examination required for a driver's license when such license is a condition of employment.

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I hope this adequately addresses the question you raised. If you have any further questions, please feel free to contact this office.

Yours truly,

H. THOMAS CADELL, JR.  
Chief Counsel

c.c. Victoria Bradshaw, State Labor Commissioner