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## A Gift For You: 2007 Employment Law Wrap-Up

The new year brings with it a cavalcade of new statutes and cases that California employers will need to understand and incorporate to avoid the ever growing minefield of employer liability. Below is a summary of key developments:

### California Enacts Military Spouse Leave Law

Governor Arnold Schwarzenegger signed into law a bill requiring California employers with 25 or more employees to allow spouses of members of the Armed Forces, National Guard or Reserves to take up to 10 days of unpaid time off when the military spouse is on leave from active duty during a period of military conflict. Employers should update their leave policies as appropriate.



Guest Column  
Nicole Kamm

### California Minimum Wage

Effective January 1, 2008, the California minimum wage will go up to \$8.00 per hour. Accordingly, the minimum salary for an exempt employee to qualify as "exempt" from overtime will increase to \$2,773.33 per month (\$33,280 per year). Employers must obtain new posters to reflect this change and have them displayed by January 1, 2008.

### IRS Standard Mileage Rate Gets A Raise

The IRS adjusted the standard mileage rate for business mileage to 50.5 cents per mile, an increase of two cents over the 2007 rate. The Department of Labor Standards Enforcement's (DLSE) position is that employers may reimburse an employee's business use of his or her automobile at the IRS rate. However, in a recent California Supreme Court case, *Gattuso v. Harte-Hanks Shoppers, Inc.*, the Court did not endorse the IRS standard mileage rate as conclusively adequate. Therefore, employers are not bound to any specific method of reimbursement so long as the employee is adequately

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reimbursed for expenses associated with the business use of his or her vehicle.

## **New I-9 Form**

The U.S. Department of Homeland Security announced on Nov. 7 that a new Form I-9 and a revised version of the “Handbook for Employers, Instructions for Completing the Form I-9” are now available. The significant revision is to the list of acceptable employment authorization documents. The old form, issued in 1991, did not contain all of the acceptable documents. The revised form and handbook are available at [www.uscis.gov](http://www.uscis.gov).

## **California's Computer-Related Exemption is Modified**

California Labor Code Section 515.5 provides that employees in the computer software field who perform specific computer-related duties may be exempt from overtime requirements. Among other requirements, computer professionals must earn a statutorily-specified minimum pay rate to be considered exempt. As of January 1, 2008, the new rate will be \$36.00 per hour (compared to \$49.77 per hour as of January 1, 2007).

## **New Sexual Harassment Training Regulations**

The Office of Administrative Law approved final regulations for the California sexual harassment training law. All employers who do business in California, and who have more than 50 employees, are required to provide all supervisors with training on how to prevent sexual harassment in the workplace. The first training deadline was Dec. 31, 2005. Sexual harassment training must be repeated every two years, making 2007 a “retraining” year for most organizations.

The new regulations clarify the specific requirements of the California sexual harassment training law, as well as practical guidelines for compliance. For example, the law explains the training must include information and practical guidance regarding federal and state sexual harassment laws, including harassment prevention and correction, and remedies available to victims. It must be designed to (1) assist California employers in changing or modifying workplace behaviors that create or contribute to sexual harassment; and (2) develop, foster and encourage a set of values in supervisory employees who complete mandated training and education that will assist them in preventing and effectively responding to incidents of sexual harassment.

This article covers only a fraction of the legal issues that face employers on a daily basis. Potential liabilities can add up quickly, and violations are not always readily apparent. To ensure legal compliance and protect the company's bottom line, employers are encouraged to consult legal counsel to make sure their company is in keeping with the many applicable laws and rules.

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