

California's "Sue Your Boss" Law - 2nd Edition

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Some of the most sweeping changes to employment law in recent years are contained in a new law called the Private Attorneys General Act of 2004 ("PAGA"). The law has been nicknamed the "**Sue Your Boss Law**" because of the incentives it gives employees to sue employers. It applies to all California employers and emphasizes the need for total compliance with California's unique rules.

The law encourages lawsuits over minor and major violations, and discourages employees from using internal complaint procedures to resolve problems. It has generated lawsuits that the Legislature has referred to as "frivolous." Penalties for a single violation can equal **\$100 for each employee times the number of pay periods**. As an example, an employer with only 100 employees could face penalties of \$10,000 **per pay period** for just one violation. If the employer uses weekly pay periods, that can produce \$520,000 a year in penalties alone. Even worse, the penalties can be doubled for subsequent violations.

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