

New and Improved PAGA FAQs

California Employment Law Update on November 19, 2024

The California Labor Workforce Development Agency (LWDA) recently refreshed its <u>Frequently Asked Questions (FAQs)</u> regarding Private Attorneys General Act (PAGA) claims processing in light of the recent legislative reforms.

As we reported <u>here</u>, California enacted A.B. 2288 and S.B. 92 this past summer, bringing long-overdue reforms to PAGA. The new legislation applies to PAGA notices and any resulting actions filed on or after June 19, 2024.

The updated FAQ page now addresses several aspects of these changes, including standing requirements, the expanded cure process, updated penalty allocations, and the new early evaluation conferences. Notably, the FAQs clarify that after October 1, 2024, the LWDA *may* set a conference to evaluate the sufficiency of the employer's proposed cures.

The PAGA reform legislation broadened the types of violations that can be cured for notices filed on or after June 19, 2024. The LWDA's authority to investigate claims upon receipt of an employee's initial PAGA letter and prior to their filing suit is nothing new – though it was discretion that the LWDA seldom acted upon. Thus, it remains to be seen if the LWDA will begin investigating more employers' cure notices.

Separately, under the new PAGA scheme, employers with 100+ employees and smaller employers who wish to avail themselves of the process may request an early evaluation conference and a stay of court proceedings when served with a summons. This process, which will be overseen by a neutral evaluator, is intended to facilitate early evaluation and resolution of the dispute before full-blown litigation commences. As we have previously observed, this option may be a useful tool in the toolbox of an employer wishing to learn more about the true focus of a plaintiff who has alleged everything but the kitchen sink – as PAGA encourages plaintiffs to do. Despite these FAQs, much is still unknown about how the new reform PAGA provisions will play out. Stay tuned. As the new provisions continue to be rolled out, we will monitor and report on key developments in this space.

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