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PAGA 3.0 – What You Need to Know About California's Labor and Workforce Development Agency's Proposed Regulations

California Employment Law Update on **March 10, 2026**

For the first time, the California Labor and Workforce Development Agency ("LWDA") has proposed regulations concerning the administrative processes and review requirements of Labor Code Private Attorneys General Act of 2004 ("PAGA").

Key Provisions

The proposed regulations, if finalized as written, include the following noteworthy provisions:

- **High-Frequency and Vexatious Filers:** § 17415(a)(2) addresses "documented instances of some attorneys filing PAGA notices that are based on templates alleging frivolous, conclusory, or boilerplate violations of the Labor Code[,]" which "interferes with the [LWDA]'s role and ability to perform its responsibilities under the law," "deprives employers of fair and proper notice of the violations alleged against them, including for purposes of identifying the bases for the violations alleged so they may take appropriate corrective or prospective compliance measures," and therefore is "detrimental and harmful to the interests of workers whom the law is intended to protect." The LWDA also expressly calls out these filings as often part of "an apparent strategy of using PAGA notices as a bargaining chip in seeking quick individual settlements and attorneys' fees recoveries." Accordingly, the proposed regulations include "certain safeguards … to prevent such abusive practices" in the form of additional cover letter and certification requirements.
- **Cure for Smaller Employers:** The proposed regulations flesh out how the cure mechanisms work before any suit is filed against employers with fewer than 100 employees, detailing the requirements for an employer's cure proposal and protecting such submissions as confidential settlement communications subject to Evidence Code section 1152.
- **Settlement Oversight:** § 17420.5(d) provides that "a claimant may not amend a PAGA notice to add violations not alleged in a prior PAGA notice as part of, or at any

time after the claimant has reached, a proposed settlement agreement with the employer in a pending civil action." This proposal would make resolving overlapping PAGA claims via a single lawsuit more difficult. The proposed regulations also require (1) at least 45 days for the LWDA to review any proposed settlement agreement; and (2) notice to other employees who have filed LWDA notices against the same employer.

Current Status

The written comment period for these proposed regulations closes on March 23, 2026. The LWDA has indicated that while no public hearing is currently scheduled, it will hold one if it receives a written request from any interested person. We'll continue to monitor how these regulations progress.

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