

## Hazard Pay for Grocery Employees, [CB 119990](#)

Sponsored by Councilmember Mosqueda | Substitute Bill D2

Issue	Description
<b>A. Recitals</b>	The substitute bill would include findings that (1) encourage employers of essential frontline workers to support the distribution of vaccines for their employees, and (2) reflect additional jurisdictions in California that have announced legislative efforts to require for hazard pay for grocery employees.
<b>B. Definitions</b>	The substitute bill would clarify that (1) a “grocery business” does not include farmers markets and (2) “hazard pay” is not included in an employee’s compensation for paid sick and paid safe time.
<b>C. Employee Coverage</b>	The substitute bill would clarify that covered employees must work at a retail location.
<b>D. Employer Coverage</b>	<p>The substitute bill would clarify that OLS would consider any number of factors for determining whether a grocery business is covered by the ordinance, including but not limited to:</p> <ul style="list-style-type: none"> <li>• Grocery sales as a percentage of the retail store’s overall sales;</li> <li>• Sales floor area dedicated to grocery sales;</li> <li>• Marketing or promotional materials from the employer; or</li> <li>• Other public statements from representatives of the employer.</li> </ul>
<b>E. Hazard Pay Requirements</b>	<p>The substitute bill would (1) require employers to keep records of any reductions in employee pay after the effective date of the ordinance, (2) permit a hazard pay offset* for employers already providing additional compensation as of the effective date of the ordinance, and (3) require employers to provide notice of any hazard pay offset in a revised written notice of employment information.</p> <p><b>*Example of a hazard pay offset:</b></p> <p>On the effective date of this ordinance, an employer is paying an employee \$20 per hour in wages plus additional compensation of \$2 per hour for “appreciation pay.” The employer previously (a) provided written notice that the “appreciation pay” was additional compensation for working during the COVID-19 emergency, (b) provided compensation for the “appreciation pay” on the established, regular pay day on which wages are paid, and (c) itemized the “appreciation pay” on the employee’s paychecks.</p> <p>This employer could offset the proposed \$4 hazard pay requirement by \$2 per hour (and must provide the employee with revised notice of employment information that reflects the hazard pay and offset).</p> <ul style="list-style-type: none"> <li>• <b>Appreciation Pay</b> - Employee earns \$20 per hour plus \$2 per hour “appreciation pay” on the effective date of the ordinance.</li> <li>• <b>Hazard Pay Offset</b> - Employee earns \$20 per hour plus \$4 per hour of combined “appreciation pay” and “hazard pay.”</li> </ul>
<b>F. Enforcement</b>	The substitute bill would allow the Director of the Office of Labor Standards discretion to (1) consider various factors when determining the amount of remedies due and (2) designate a daily penalty of \$50 if a respondent fails to produce records in the course of an investigation.