



Mandatory New Hire Document Required for California "New Hires"

October 27, 2011

Dear Client:

Section 2810.5 of the California Labor code outlines an employer's responsibility to communicate an employee's terms of employment in a written notice. Effective January 1, 2012, Employers should present the written notice to non-exempt employees at the time of hire and communicate the content in a manner that is deemed understandable by a "reasonable" person. The written notice should include:

- The rate or rates of pay and basis thereof, whether paid by the hour, shift, day, week, salary, piece, commission, or otherwise, including any rates for overtime, as applicable.
- Allowances, if any, claimed as part of the minimum wage, including meal or lodging allowances.
- The regular payday designated by the employer.
- The employer's name, including any "doing business as" names used by the employer.
- The physical address of the employer's main office or principal place of business, and a mailing address, if different.
- The employer's telephone number.
- The name, address, and telephone number of the employer's workers' compensation insurance carrier.
- Any other information the Labor Commissioner deems material and necessary.
- Although not mandatory by Section 2810.5, SCI recommends including in the notification that paychecks and W-2's are generated by SCI Companies and subsequent business units/entities.

Employers can notify employees in writing within seven calendar days if changes transpire to the information above through a written amendment, new written notice, or modified paycheck stub containing the new information. Client Members are encouraged to contact their designated SCI professional to make revisions to paychecks and W-2's.

Section 2810.5 does not apply to overtime exempt employees or public sector employees. Additionally, it does not apply to employees covered by a valid collective bargaining agreement if their regular rate of pay exceeds California's minimum wage by at least 30% and if their overtime compensation is paid at the proper premium wage rate. The Labor Commissioner will publish a template sample of the notice in the following months for employers to customize. Employers are encouraged to use the template to ensure compliance.

All content in this notice is based on current information and supersedes previous communications regarding this topic. If you have any questions or concerns, please contact your assigned SCI Professional.

Sincerely,

SCI Companies

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