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## **California Cannabis Labor: Time Tracking, Wages, and Workforce Compliance**

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Many business practices in California differ from the rest of the US due to the unique approach the state takes to regulations, often in favor of the employee. With many labor measures in constant flux, it's important to stay on top of new developments to ensure your cannabis business remains compliant.

Maintaining visibility of your employee's daily schedule is vital to avoid penalty fees and possibly worse; employee litigation. Here are key labor laws to keep in mind when managing your marijuana operation.

### **Meal Time, Rest Break and Overtime Laws**

**Meals:** An employer cannot employ someone for a work period of more than five hours without providing an unpaid, off-duty meal period of at least 30 minutes. A second meal break of no fewer than 30 minutes for all days when an employee works more than 10 hours must also be provided.

**Breaks:** Mandatory rest breaks must be offered for all nonexempt employees whose daily work time is at least 3.5 hours. These 10 minute breaks should happen for every four hours worked - typically in the middle of the four-hour period.

**Overtime:** Unlike other states, California considers any hours worked over eight in a day to be overtime. And, any hours over 12 in a day are considered "double overtime," or time that will cost double the employee's pay rate.

Implementing a robust time tracking system can give you insight into when employees are approaching overtime, which is especially important in California, as employees do not need to request to work overtime\*. It can also provide detailed reports of missed punches or extended break times.

*\*Keep in mind, overtime wages are to be paid in the same pay period as the hours worked and cannot be compensated at a later date.*

View all of California's Meal and Rest Break laws [here](#).

## **Mitigate Risk**

Mandate scheduled breaks and require employees to use your method of time tracking to save your business money, while ensuring your employee's ability to successfully complete their work. Utilize a time and labor system like Wurf to receive real-time insight, like tracking when someone takes a long lunch or was late for their scheduled time. Offer your employees the ability to submit their shift preferences to maximize time and encourage employee satisfaction.

Create, update and share a company Employee Handbook that clearly outlines the meal and rest break policies, sick time allowances, conduct, safety, dress code, etc. It's important that the handbook and related policies comply with the local laws of where the employees are located. As an example, San Francisco, Los Angeles, and San Diego all have paid sick leave ordinances that differ from the California state standard. An Employee Handbook helps to drive compliance and communicate your company culture.

## **Stay in the Know**

Understand the different employee classifications of hourly, salary, exempt, non-exempt, and contract workers as it will directly affect payroll and taxes. The subject of exempt versus non-exempt employees is particularly difficult for California employers, because the state's exemption requirements create more restrictions than federal law. Speak to your attorney if you need help identifying your workforce.

Remain aware of the various other rules California applies to payroll, like providing a terminated employee with their final check before they leave the premises. Partner with experts in workforce, legal and tax law specifically for the cannabis industry. Subscribe to your local and state department newsletters and participate in community meetings to help advocate for your cannabis business rights and stay in the know.