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George Petersen Insurance Agency

News You Can Use

BUSINESS AND ECONOMY

Top 10 Laws and Regulations for 2025

WITH 2025 NOW upon us, so is a slew of new laws and regulations that will affect California businesses.

Last year was a busy legislative session in addition to a rash of important rule-making. The end result is another round of new legislation that California employers need to stay on top of.

1. 'Captive audience' meetings barred

Starting Jan. 1, California employers are prohibited from requiring employees to attend "captive audience" meetings where the employer shares its opinions on political or religious matters.

This includes topics such as unionization, legislation, elections or religious affiliations. Employers are also barred from retaliating, discriminating or taking any adverse action against employees who opt out.

The law applies broadly to most employers, but does contain some exceptions, including religious organizations, political organizations and educational institutions providing relevant coursework. Employers who violate SB 399 could face significant consequences, including a civil penalty of $500 per employee, per violation.

2. 'Egregious' offenders

Cal/OSHA is working on new rules, expected to take effect in 2025, that would step up enforcement and penalties against California employers that commit "egregious" and "enterprise-wide" workplace safety violations.

A business cited for an egregious violation could be fined up to $158,000 "per instance," meaning it can be applied for each employee exposed to the violation.

Violations that could be considered egregious include:

- The employer intentionally making no reasonable effort to eliminate a risk.
- The employer has a history of one or more serious, repeat or willful violations.
- The employer intentionally disregarded its health and safety responsibilities.

3. Expanded paid sick leave

Two bills expanded the use of paid sick leave, starting Jan. 1.

The more far-reaching measure, AB 2499, expands current state law that allows employees who are victims of crime or abuse to take time off for court appearances, treatment and various other reasons.

The new measure also expands the use of paid sick leave to cover certain "safe time" absences for issues like:

- Domestic violence,
- Sexual assault,
- Stalking, or
- Violence, brandishing a weapon or making threats of physical injury or death.

AB 2499 also permits workers to take time off to help family members who are victims of a crime.

The second measure, SB 1105, allows agricultural workers to use accrued paid sick leave to avoid wildfire smoke, excessive heat or flooding conditions.

The measure states that this is a clarification that existing law allows workers to take sick days for preventive care.

See 'PAGA' on page 2

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4. Freelance Worker Protection Act

Starting this year, California's Freelance Worker Protection Act imposes new requirements on businesses hiring freelance workers for professional services worth $250 or more.

The law requires employers to provide freelancers with a written contract outlining key details, including the services provided, payment amounts and deadlines for compensation. If no payment date is specified in the contract, freelancers must be paid no later than 30 days after completing their work.

Businesses cannot require freelancers to accept less pay than agreed upon or provide additional services after work has begun as a condition for timely payment.

Importantly, the law also prohibits retaliation against freelancers who assert their rights, such as raising complaints about violations or seeking enforcement of the law.

Noncompliance can lead to significant penalties. If a written contract is not provided, employers may face a $1,000 penalty.

Late payments can result in damages up to twice the amount owed, while other violations may require businesses to pay damages equal to the value of the contract or the work performed.

5. Indoor heat illness

These new requirements actually took effect at the end of last summer, so 2025 is the first full year they've been in effect.

Cal/OSHA's indoor heat illness prevention rules require employers to protect workers in indoor workplaces when temperatures reach 82 degrees Fahrenheit.

These regulations apply to most indoor settings, but mainly affect restaurants, warehouses and manufacturing facilities.

At 82 degrees, employers must ensure workers have cool, potable water nearby and access to a cool-down area where temperatures remain below 82 degrees. Workers should be encouraged to take rest breaks to prevent heat-related illness, and be monitored for symptoms during these breaks. If clothing restricts heat removal or radiant heat sources are present, these measures apply immediately.

At 87 degrees, employers must take additional steps, when feasible, such as cooling work areas, providing personal heat-protective equipment and implementing work-rest schedules.

Affected employers should evaluate options like installing air conditioning to maintain safe temperatures. While this is feasible for smaller spaces, larger facilities like warehouses may require alternative compliance strategies.

6. PAGA reform

In July 2024, Gov. Newsom signed into law two measures aimed at curbing rampant abuse of the Private Attorneys General Act, which has become a costly thorn in the side of businesses in California.

PAGA allows workers who allege they have suffered labor violations, like unpaid overtime or being denied mandatory meal and rest breaks, to file suit against their employers rather than file a claim with the state Department of Labor Standards Enforcement.

The new laws aim to reward employers with reduced penalties if they address in good faith issues raised by an employee.

For example, the reforms cap the assessment at 15% of the available penalty for employers that take immediate and proactive steps to bring themselves into compliance with state law. Employers that take "reasonable" steps to address issues within 60 days of receiving a PAGA notice will face a maximum penalty of 30%.

The new PAGA also requires a worker to personally experience violations alleged in a claim if they want to bring action. It also increases workers' share of awards to 35%, from 25%. The rest of the funds go to the Labor & Workforce Development Agency.

7. Family leave change

A new law, AB 2123, bars employers from requiring that workers who plan to take time off under the state's Paid Family Leave Program first take up to two weeks of accrued vacation time before benefits kick in.

8. Driver's license queries

Starting Jan. 1, employers are barred from listing in help-wanted ads and job applications that having a driver license is a prerequisite for a job, unless the employer:

- Reasonably expects that driving will be part of the job, and
- Reasonably believes that allowing the employee to use alternative forms of transportation (including ride-sharing, taxi or bicycle) would take more time or require the business to incur higher costs.

9. Poster updates

Employers have to update two mandatory work posters this year.

The standard poster that informs employees about their rights under workers' compensation laws, is one of them. The new poster must include language stating that employees may consult with an attorney for advice about workers' comp law and that they may have to pay attorneys' fees if they hire a lawyer as part of their claim.

Also, businesses are required to post an updated paid leave law notice to reflect the changes ushered in by AB 2499, the paid leave law for crime and abuse victims discussed above.

10. Minimum wage

California's minimum wage increased to $16.50 an hour on Jan. 1. This rate is for all areas of the state, except for those jurisdictions that have implemented their own minimum wage to reflect the higher cost of living in their area.

THE RIGHT START

This New Year Resolve to Review Your Insurance

WHILE YOU may have made some good New Year's resolutions, to make sure that you are not leaving anything to chance you should also revisit your insurance policies.

You may have acquired new property, upgraded your home or bought new stuff for your house and, considering the risks of catastrophes, you may now have more risk than you're aware of.

By taking a little time, you can ensure you're adequately protected and that you won't have any unpleasant surprises if you have to file an insurance claim. We recommend you do the following:

Revisit your policies

Yes, reading policies isn't much fun, but unfortunately most people don't go through them until they actually need to file a claim. Re-familiarizing yourself with the details can save you from headaches later.

Review these policy particulars

Here are some items you may want to check for:

- The size of your deductibles. Perhaps you feel you need to save money on your monthly premiums, which can be done by increasing the size of your deductible. Or you may want to have a lower deductible in exchange for a higher premium.
- Does your auto policy include towing or the cost of a loaned car if your vehicle needs repairs after an accident? If your policy is lacking these and you feel you need this coverage, you can talk to us about adding it.
- Does your policy pay the actual cash value (what property is worth after depreciation) or actual replacement cost for property damaged by a fire or other covered event?

Do you need additional coverage?

There's been an increase in the number of natural disasters occurring all over the world. The costs of damage caused by floods, hurricanes, tornadoes and wildfires are also on the rise.

If you're concerned about possible flooding, earthquakes or wildfires, you may need to purchase additional coverage. Flood policies are usually purchased from the National Flood Insurance Protection Program, while earthquake coverage would need to be bought separately from your homeowner's policy.

Check your homeowner's or renter's policy

You may not have contacted us after buying pricey jewelry, antique furniture or a gigantic TV, but it's worth the call.

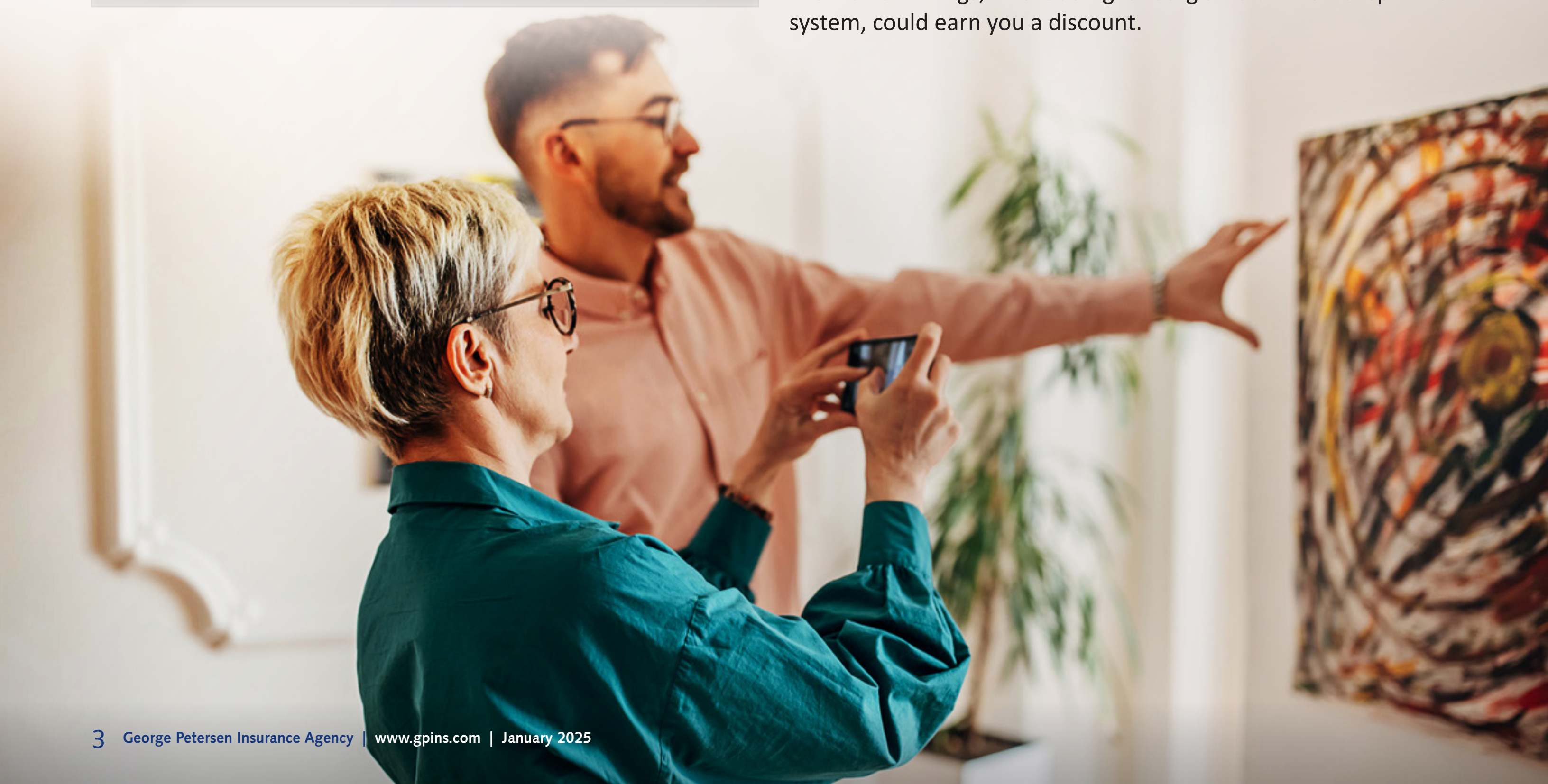
This could also be a good time to consider updating your home inventory so you have accurate coverage for your belongings and an accurate list of items like works of art, collectibles (stamps, automobiles, firearms, paintings, etc.), jewelry and antiques. Take photos of your valuables in each room and save them to a cloud storage account for easy access.

Although your homeowner's or renter's policy protects valuables against a covered loss or theft, coverage is only provided up to a certain limit. When you make a substantial purchase, it's important to review your policy and possibly increase your limits and coverage.

Also, if you got a new pet for Christmas, that could affect your coverage, so it's important to speak to us and make any adjustments necessary to keep your policy up to date.

And if you did any home remodeling, the value of your home may have increased. That means you'll need to make sure your policy covers the added value.

You may also qualify for homeowner's insurance discounts. Even small things, like adding a burglar alarm or a sprinkler system, could earn you a discount.



SEASONAL SAFETY

Protect Your Workers During Extreme Cold

IF YOU have outdoor workers or staff that have to venture out into the elements during an especially cold winter, you need to make sure you are taking the correct precautions to keep them safe.

If the conditions are harsh, your workers are at heightened danger of injury, or worse. But even if you have employees who are outside for short periods, they can also suffer injuries if they are not prepared.

SEASONAL DANGERS

- Cold or frigid temperatures
- High winds
- Damp air
- Slippery surfaces
- Contact with water
- Frostbite
- Hypothermia
- Risk of strains, slips and falls
- Dehydration
- Decreased performance

OSHA recommendations

Check the forecast – A supervisor should check the forecast for the next day before the end of a day's final shift, to alert workers about any precautions they should take.

Appropriate clothing – Workers should have proper clothing suited for working in cold-weather conditions. Clothing from thermal underwear to gloves and jackets are the first line of defense against cold weather. Consider these tips for your employees:

- Wear three layers of clothing. Start with insulating underwear — which traps perspiration — a middle layer that protects the body from precipitation, and an outer layer that allows ventilation and prevents overheating.
- Cotton is not always a good choice. Wool, silk and some synthetic fabrics are better at keeping skin dry even when it's raining or the worker is sweating.
- Wear loose clothing. Tight clothing can trap moisture and lower body temperature.
- Protect your extremities. That means head, hands and feet. Wear a warm cap or hat, insulating gloves and two pairs of socks and insulated shoes.
- Carry an extra set of clothing in case something happens and a worker has to change.

Train workers – They should be trained on how to prevent and recognize cold-stress illnesses and injuries, and how to apply first aid treatment. Workers should be trained on the appropriate engineering controls, personal protective equipment and work practices to reduce the risk of cold stress.

Eat healthy, stay hydrated – Stress the importance of a healthy diet and regular hydration.

Ask that they always eat breakfast before working outside, to give the body the fuel it needs.

Also ask them to avoid excessive drinking the night before work.

Train them to recognize symptoms – Teach your workers about the symptoms of frostbite, hypothermia and dehydration.

They should report any symptoms they are experiencing to supervisors, who should know how to summon help and protect the worker.

The symptoms of hypothermia

Mild symptoms

- Shivering.

Moderate to severe symptoms

- As body temperature continues to fall, shivering will stop.
- Loss of coordination, fine motor skills, disorientation.
- Difficulty walking or standing.
- Dilated pupils.
- Slowing pulse and breathing.
- Loss of consciousness can occur.

Frostbite symptoms

- Reddened skin develops gray/white patches.
- Numbness in the affected body part.
- The affected part feels firm or hard.
- Blisters may occur in the affected part, in severe cases.

LIFE INSURANCE

Review and Update Your Named Beneficiaries

LIFE INSURANCE policies and retirement accounts can last for a long time – typically decades. A lot may have changed since you bought that life insurance policy, or set up that IRA or old 401(k) account.

Job changes, marriages, divorces, births, deaths, adoptions and all manner of other life passages can combine to make it desirable to change the named beneficiaries on all these accounts.

Simply updating your will from time to time isn't enough to protect your family and loved ones in most cases. You need to look at the specific individuals named as beneficiaries on your life insurance and retirement accounts, as a minimum, in order to protect their interests and avert financial disasters such as accidentally disinheriting a cherished stepchild or long-time life partner. A regular review of your financial accounts should be part of your financial planning routine.

Avoiding probate

Normally, when a person dies, his or her assets go to a surviving spouse. If there isn't, the assets generally go through probate.

In probate, court officials will go through the assets and distribute them to known creditors. Tax collectors and creditors get to collect on the deceased assets before the remainder is distributed to heirs.

This process can be long and expensive, and take months and sometimes years to complete – which can present hardships to surviving loved ones, who may be incurring expenses themselves.

When you specify a beneficiary, by name, on a life insurance policy or annuity, the assets bypass probate.

They are handled under contract law, rather than probate law, and your loved ones can receive the assets in a matter of days, not months, and probate attorneys don't generally subtract money owed to creditors or the IRS from these assets.

Life insurance beneficiaries

Generally, life insurance beneficiaries should be those most harmed by your death. But you can select and change the beneficiaries on a policy you own as you see fit. Review your life insurance beneficiaries regularly, including contingent beneficiaries.

Don't forget retirement accounts

In some cases, naming beneficiaries on retirement accounts entitles heirs to tax advantages they would not get if they were not named designated beneficiaries. So it's important to include your retirement accounts, including 401(k)s, 403(b)s, IRAs, SEPs and SIMPLE IRAs, when you are doing a routine beneficiary review.

For more information, or to schedule an annual beneficiary review and insurance checkup, call us today.

CHANGING BENEFICIARIES

Common circumstances that may result in the need to change beneficiaries:

- A beneficiary may die.
- You may divorce or marry.
- You may have another child or grandchild you wish to include.
- A child grows up and no longer needs a trust or trustee to receive the money on his or her behalf.
- You may clear a debt secured by the life insurance policy.
- You have a change in business partners.
- A beneficiary may prove to be a spendthrift and not capable of handling large sums of money.
- A beneficiary is disabled and inheriting money could result in making him or her ineligible for need-based benefits such as Medicaid or food stamps. In this case, you may want to set up a special-needs trust to receive the money on their behalf.
- You want to compensate a beloved family member or care-giver for time spent caring for you later in life.
- Creditors may seize any money that goes to a given beneficiary, such that the money is better left to a trust or another family member.
- You may want to name a charity as a beneficiary, or change that charity.
- There is someone new who would be greatly harmed by your death.