

## e-Alert

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# Review California Pay Statement Requirements

## Background

California [requires](#) employers to provide pay statements to all employees containing certain information semimonthly or at the time each payment occurs.

## Summary

Employers who are not in compliance with this requirement are subject to statutory penalties and civil suits filed by employees, including class actions. For example, an error in the name or address, rate of pay, beginning and end dates of the payroll period, or missing and/or incorrect totals, can be a sufficient basis for employees to pursue substantial civil penalties.

It is important that employers with workers in California review their pay statements regularly to ensure compliance. We also strongly encourage them to review these requirements with their legal counsel and to promptly inform their payroll company of any necessary changes.

## Record Retention

Employers must keep copies of pay statements on file for at least three years, either at

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the place of employment or in a central location within the state. These copies include any duplicates of the itemized statements provided to an employee, or a computer-generated record accurately showing all the information required.

Upon request, employers must provide current or former employees access to copies of these statements:

- They must give employees access as soon as possible, but no later than 21 calendar days after the request
- They can charge the employee for the actual cost of copying the statements

**Please note:** Maintaining copies of pay statements and all other payroll documents required by applicable law is the requirement/responsibility of the client and not your payroll provider.

### California Pay Statement Requirements

In California, wages, with some exceptions (see the table below), must be paid at least twice each calendar month on the days that have been designated in advance as regular payday.

Employers must establish a regular payday and are required to post a notice that shows the day, time, and location of payment.

Employee Classification	Rule	Labor Code Section
<u>Executive, administrative,</u> and <u>professional</u> employees	May be paid once a month on or before the 26 <sup>th</sup> day of the month during which the work was performed if the entire month's salary, including the unearned portion between the date of payment and the last day of the month, is paid at that time. Such employees may be paid more frequently, however.	204
Workers employed by a farm labor contractor	Must be paid on payroll periods at least once every week on a business day designated in advance by the farm labor contractor. Payment on that payday must include all wages earned up to and including the fourth day before that payday.	205

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<p>Employees in agriculture, horticulture, and viticulture (cultivation of grapes for winemaking), stock or poultry raising, and household domestic service who are boarded and lodged by their employer</p>	<p>Must be paid once in each calendar month on a day designated in advance by the employer as the regular payday. No two successive paydays can be more than 31 days apart, and the payment must include all wages up to the regular payday.</p>	<p>205</p>
<p>Employees of a motor vehicle dealer licensed by the Department of Motor Vehicles who are paid commission wages (Mechanics and other employees performing repair or related services are not considered commission employees.)</p>	<p>Must be paid once during each calendar month on a day designated in advance by the employer as the regular payday. However, when such employees are covered by a collective bargaining agreement that provides for the date on which wages shall be paid, such arrangement takes precedence over state law.</p>	<p>204.1</p>

### Additional Resources

These resources are available from the California Department of Industrial Relations (CA DIR) [website](#):

- [CA Wage Theft Protection Act Page](#)
- [Frequently Asked Questions](#)
- Corrections and adjustments – [DLSE Opinion Letter 2002.05.17](#)
- [Division of Labor Standards Enforcement Manual](#), Section 14.1.1 Wage Statement Requirements
- California Paid Sick Leave [FAQs](#)
- [California Labor Code](#)
- [Rules and Regulations Garment Manufacturing Industry](#)

### California Labor Commissioner's Office Pay Stub Examples

- [Hourly](#)
- [Piece-Rate](#)

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## Employer Next Steps

- Review your current record retention process to ensure you comply, and notify your payroll provider of any changes.
- Ensure that you post or provide all pay requirement notices to employees in an accessible manner if they are remote, and make sure all employees have given you the correct information to ensure that all pay statements are accurate with no discrepancies.
- If you are a Full-Service or Virtual HR client and would like our assistance, please [email us](#).

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