



CIVIL JUSTICE
ASSOCIATION OF CALIFORNIA



April 16, 2025

TO: Members, Senate Labor, Public Employment and Retirement Committee

**SUBJECT: SB 642 (LIMÓN) EMPLOYMENT: PAYMENT OF WAGES
OPPOSE UNLESS AMENDED– AS AMENDED APRIL 10, 2025**

The California Chamber of Commerce is respectfully **OPPOSED UNLESS AMENDED** to **SB 462 (Limón)**.

The Proposed Continuing Violations Language Would Effectively Eliminate any Statute of Limitations

Our primary concern with **SB 642** is proposed (i)(3). That language would effectively eliminate the statute of limitations. The proposed language provides that “a series of discriminatory wage payments shall be actionable as a continuing violation if the discriminatory wage payments arise in whole or in part from an ongoing discriminatory compensation decision or practice.” In practice, there would be no need to bring a claim in a timely manner. For example, where an employee claims they were hired at a lower salary than a colleague, the claim would never be time barred. Each new paycheck under proposed section (i)(2) would be the new beginning of a statute of limitations period *and the claim would reach back to the time of hiring when the decision at issue was made*. In this example, the employee could file one, five, or ten years later and the impact would be the same- they could recover wages going back to the date of hire. Statute of limitations are critical both for ensuring memories and evidence are fresh and to ensure illegal behavior is promptly reported and vanquished.¹

We do not object to increasing the statute of limitations for Equal Pay Act claims from two to three years so that it is in line with discrimination claims under the Fair Employment and Housing Act (FEHA)². An employee with an Equal Pay Act claim would also likely bring a discrimination claim and it therefore makes sense that the two statutes of limitations would be consistent. However, we therefore believe there is no need to continue to have a “willful” statute of limitations that is longer than the discrimination claim. If an employee proves a claim for discrimination under FEHA, that must include, at least to some degree, that the discriminatory treatment was intentional. It therefore makes sense that the same statute of limitations would apply to both claims: three years. Further, practically speaking, every claim is going to allege that the conduct was willful in order to conduct discovery on that issue. Therefore, all claims will trigger the proposed longer four-year statute of limitations. Effectively then, the impact of **SB 642** would be to give Equal Pay Act claims a four-year statute of limitations. We believe these claims and FEHA discrimination claims should be treated the same with a three-year statute of limitations.

The Proposed Definition of “Wages” Includes Items That are Not Wages

We request that the proposed definition of “wages” and “wage rates” be modified so that it only applies to items that are truly “wages,” such as hourly rates, salary, or overtime pay. Labor Code Section 200 defines wages as “all amounts for labor performed by employees of every description, whether the amount is fixed

¹ See *Duty v. Abex Corp.*, 214 Cal. App. 3d 742, 748–49 (Ct. App. 1989), *reh’g denied and opinion modified* (Nov. 1, 1989).

² Between the time that the Equal Pay Act was amended in 2015 and now, the statute of limitations applicable to a FEHA discrimination claim increased from one to three years.

or ascertained by the standard of time, task, piece, commission basis, or other method of calculation.” For example, a “wage” under the California Labor Code does not include items like reimbursement for travel expenses or stock options. See Labor Code Section 2802 (governs when expenses must be reimbursed); *Shah v. Skillz Inc.*, 101 Cal. App. 5th 285 (2024) (stock options are not wages). If an employee believed they were not adequately compensated for reimbursements, they would pursue that as a failure to reimburse claim under Labor Code Section 2802. Classifying items here as “wages” when they are not could have broader implications for other obligations under the Labor Code as well as the Tax Code that are specific only to wages.

For these reasons, we **OPPOSED UNLESS AMENDED to SB 642 (Limón)**.

Sincerely,



Ashley Hoffman
Senior Policy Advocate
California Chamber of Commerce

California Association of Winegrape Growers, Michael Miiller
California Farm Bureau, Bryan Little
California Retailers Association, Sarah Pollo
Civil Justice Association of California, Kyla Christoffersen Powell
Housing Contractors of California, Bruce Wick
National Federation of Independent Business, Tim Taylor

cc: Legislative Affairs, Office of the Governor
Mariana Sabeniano, Office of Senator Limón
Consultant, Senate Labor, Public Employment and Retirement Committee
Cory Botts, Senate Republican Caucus

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