

WGM Employer Risk Compliance Checklist (California)

Litigation-forward self-audit: the boxes plaintiffs' lawyers check first.

This checklist is California-specific and designed for quick issue-spotting. It is not legal advice and should be tailored to your workforce size, locations, and industry.

Fast Triage (10 minutes)

- Are any employees labeled “exempt” based on title rather than duties and salary?
- Do non-exempt employees record all time worked (including remote work, texts, emails, and after-hours calls)?
- Do you have a defensible meal/rest break practice (and a plan when breaks are missed)?
- Are wage statements accurate and complete every pay period?
- Is final pay delivered on time, with all wages (and earned commissions/bonuses) included?
- Are reimbursements (especially remote-work expenses) handled consistently?
- Do you have a repeatable complaint intake + investigation process (and proof you used it)?
- FEHA/CFRA: Do you have a written accommodation and leave playbook with a single point person (named role) accountable for intake, timelines, documentation, and return-to-work coordination?
- Can you prove your managers are trained on harassment, retaliation, and wage-hour basics?
- If sued tomorrow, could you produce signed policies, acknowledgments, time records, and payroll data quickly?

Litigation Hot Zones (Where Claims Multiply)

1) Classification and Pay (Wage-and-hour and PAGA magnets)

If your classification is wrong, everything downstream is expensive.

- Exempt vs. non-exempt classifications match actual duties (not job titles).
- Exempt employees are paid on a true salary basis and meet California exemption tests.
- Independent contractors are vetted for California compliance (including role, control, and integration into operations).
- Hourly rates, salary rates, and changes are documented and approved in writing.
- Commission plans (if any) are in writing, signed, and define when commissions are “earned.”

- Bonus/incentive criteria and calculations are written, objective, and consistently applied.
- Pay practices account for local rules where employees actually work (city/county ordinances).

2) Timekeeping, Meal/Rest, Wage Statements, and Final Pay (The first documents requested)

Most wage-and-hour cases turn on records: time, wage statements, and final pay documentation.

- Non-exempt time is recorded daily, with a clear “no off-the-clock work” rule that is enforced.
- Remote work is included in timekeeping (emails/texts/calls before/after shifts).
- Meal period practice is compliant and exceptions are tracked (and paid when owed).
- Rest break practice is understood by managers and operationally feasible (not just “on paper”).
- Overtime is calculated correctly (including nondiscretionary bonuses where applicable).
- Wage statements are audited for accuracy and required fields (each pay period).
- Final pay is issued on time (including accrued vacation/PTO where required) and documented.
- Expense reimbursement process exists and is used (mileage, tools, cell phone/internet for remote work, etc.).

3) Hiring and Onboarding File Hygiene (Paper cuts that bleed later)

- Offer letters are standardized, accurate, and used consistently (including at-will language where permitted).
- I-9s are completed correctly, stored separately, and re-verifications are tracked.
- Required onboarding notices and acknowledgments are delivered and retained.
- Job descriptions exist and align with actual duties (especially for exempt roles).
- Confidentiality/IP and device/remote-work acknowledgments are used where relevant.

4) Policies That Hold Up in a Deposition (Not just a handbook on a shelf)

A policy is only as good as your proof you followed it.

- Handbook is current and reflects actual practices (not copy/paste policies no one follows).
- Anti-harassment, discrimination, and retaliation policy is clear and enforced.
- Complaint intake pathway is obvious to employees (multiple reporting options).
- Investigation steps are documented (intake, interim measures, findings, closure).
- Records are maintained consistently (and confidential info is segregated).

5) Leaves and Accommodations (FEHA/CFRA exposure zone)

In California, sloppiness here often turns a small issue into a retaliation case.

- One point person is accountable for leave and accommodation requests (with a trained backup), and managers are instructed to route requests immediately.
- Interactive process steps are documented (requests, communications, options considered).
- Medical information is stored confidentially and access is restricted.
- Return-to-work and restrictions are handled consistently; managers are trained not to freelance.
- Retaliation safeguards are explicit when leave/accommodation is in play.

6) Performance Management and Terminations (Your future exhibits)

Assume every termination will be dissected line-by-line.

- Performance expectations are documented (job standards, metrics, or clear narratives).
- Discipline is consistent; deviations are explained and documented.
- PIPs (if used) are standardized, realistic, and not used as pretext.
- Termination decisions include a short, contemporaneous justification memo and supporting documents.
- Final pay checklist exists for every separation (timing, vacation/PTO, commissions, reimbursements).
- Severance templates (if used) are reviewed and deployed consistently.

7) Safety and Workers' Comp (Prevent the second lawsuit)

- Written safety program exists and is used (training logs, reporting procedure, corrective actions).
- Injury reporting is immediate and documented; workers' comp steps are followed consistently.
- Incident investigations are documented and focus on facts (not blame or speculation).
- Workplace violence / threats protocol exists (even a one-page escalation plan).

8) Privacy, Devices, Remote Work, and Records (Often ignored until it is too late)

- Access to personnel, payroll, and medical/confidential files is restricted and tracked.

- Acceptable-use and device policies are in writing (email, messaging, monitoring, social media).
- Records retention schedule exists (personnel, payroll, I-9, medical, investigations).
- Remote-work expectations are clear: timekeeping, expenses, confidentiality, and data security.

9) Litigation Readiness (If we get a demand letter tomorrow)

- Document preservation/litigation hold procedure exists and is usable (not theoretical).
- Central repository exists for signed acknowledgments, policies, time records, and payroll data.
- Arbitration agreements (if used) are current and rolled out correctly, with signed copies retrievable.
- EPLI coverage is reviewed annually; notice requirements are known and followed.
- Managers know: do not text about the dispute; do not delete; route communications through counsel/HR.

30-Day Cleanup Plan (Practical, high-impact)

- Run a classification audit on every exempt role and every contractor relationship.
- Spot-check wage statements and final pay for the last 10 separations.
- Confirm timekeeping captures remote work and after-hours communications.
- Train managers on meal/rest enforcement and retaliation risk (and keep the sign-in sheets).
- Create a one-page complaint intake + investigation playbook and use it consistently.
- Create a standard termination packet: decision memo, final pay checklist, and documentation list.

WGM | Weston Garrou & Mooney (Checklist is California-specific; informational only.)