

The California Employee Handbook

A model index, and selected policies drafted in full

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Reflects the statutes and wage orders in effect January 1, 2026.

Why this document exists

Most handbooks are assembled once and then inherited. They are copied from a predecessor, lightly edited, and carried forward through years of statutory change that never touches the page.

That is how exposure accumulates quietly. A meal period policy drafted before *Donohue v. AMN Services* still rounds. A premium pay provision written before *Ferra v. Loews* still says "base rate." A sick leave policy drafted in 2015 still caps use at 24 hours. None of these look wrong on the page. Each is a wage claim with a documented, company-wide policy behind it.

This document has two parts. **Part I** is the full index — what a complete California handbook contains, marked for whether the content is legally required or discretionary. **Part II** drafts the wage-and-hour core in full, because those are the policies that generate the highest-frequency claims, and the ones most often inherited rather than written.

Every policy in Part II is followed by the authority it rests on. Where the law is unsettled, or where a provision depends on facts a document cannot see, that is marked rather than smoothed over.

Part I — The Index

§ marks content with a statutory or regulatory basis. · marks discretionary content — valuable, but a matter of the employer's choice rather than obligation.

1. Introduction

· Welcome and purpose
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§ At-will employment
· Handbook supersedes prior versions
§ Acknowledgment of receipt

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§ Policy against unlawful harassment, discrimination and retaliation
§ Complaint and investigation procedure
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§ Workplace violence prevention plan
· Standards of conduct
· Progressive discipline

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§ Timekeeping and recording hours worked
§ Meal periods
§ Rest periods
§ Recovery periods (heat illness)
§ Lactation break time
§ Overtime
· Alternative workweek schedules
§ Reporting time pay
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§ Day of rest
§ Paydays and pay periods
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§ Final pay on separation
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§ Reproductive loss leave
§ Bereavement leave
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§ Military and military spouse leave
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- § No-forfeiture of vested vacation
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- · Smoking and vaping
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- § CROWN Act — natural hairstyles

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- § Notice of electronic monitoring
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- · Resignation
- § Final wages and timing
- § Required separation notices
- § Workplace Know Your Rights notice 026
- · Exit interview
- · Return of company property
- § Limits on repayment agreements 026

Two 2026 structural notes. First, an *Employer Meetings and Communications* policy — added by many employers in 2025 — should now be removed rather than revised. Second, the Workplace Know Your Rights Act requires a **standalone written notice**; it is not satisfied by a handbook section, and a handbook that appears to satisfy it is worse than one that is silent.

Part II — Selected Policies, Drafted in Full

The wage-and-hour core. These eight generate the highest-frequency claims in California, and they are the policies most often inherited from a prior document.

3.2 Timekeeping and Recording Hours Worked

Every non-exempt employee must record all time actually worked. You record your own time. No supervisor, manager, or administrator may record time on your behalf, alter a recorded entry without telling you, or ask you to record hours you did not work or omit hours you did.

All time worked is recorded and paid, whether or not it was authorized in advance. If you work unapproved time, you will be paid for it. Working unapproved time may be addressed as a performance matter; it will never be addressed by not paying you.

Time records are not rounded. Your recorded start and stop times are the times used to calculate your pay. The timekeeping system does not automatically deduct a meal period, and no meal period is deducted unless you recorded it.

If a time record is wrong for any reason — a missed punch, a system error, a correction made without your knowledge — report it to [HR CONTACT]. It will be corrected and any resulting underpayment will be paid on the next regular payday. No one will be disciplined for reporting a time record problem.

AUTHORITY AND DRAFTING RATIONALE

Cal. Lab. Code § 1174(d) (record of hours worked); Cal. Code Regs., tit. 8, § 11040(7) (Wage Order 4, records). *Donohue v. AMN Services, LLC* (2021) 11 Cal.5th 58 holds that time records showing short or missed meal periods raise a **REBUTTABLE PRESUMPTION** of violation, and rejects rounding in the meal period context. *See's Candy Shops, Inc. v. Superior Court* (2012) 210 Cal.App.4th 889 had permitted neutral rounding generally; the direction of authority since *Donohue* has narrowed it, and the practical case for rounding has disappeared now that systems capture exact minutes. **THE NO-ROUNDING AND NO-AUTO-DEDUCT PROVISIONS ARE DRAFTED DELIBERATELY AND ARE STRONGER THAN THE STATUTORY FLOOR.** Auto-deduction is the single most common source of the *Donohue* presumption.

3.3 Meal Periods

If you work more than five hours in a day, you are provided an unpaid meal period of at least 30 minutes, which must begin before the end of your fifth hour of work. If you work more than ten hours in a day, you are provided a second unpaid meal period of at least 30 minutes, which must begin before the end of your tenth hour.

During a meal period you are relieved of all duty. You are free to leave the premises. You are not required to remain on call, monitor a phone or radio, respond to messages, or remain available. The Company does not impede or discourage you from taking a full, uninterrupted meal period.

If your total work period is no more than six hours, you may agree in writing to waive the first meal period. If you work more than ten but no more than twelve hours and you actually took your first meal period, you may agree in writing to waive the second. Any waiver is voluntary, must be in writing, and may be revoked by you at any time.

If a compliant meal period is not provided for any reason, you are owed one additional hour of pay **at your regular rate of compensation** for that workday. This premium is not discretionary and does not depend on whether you complained. Report it to [HR CONTACT] or record it as instructed, and it will be paid on the next regular payday.

AUTHORITY AND DRAFTING RATIONALE

Cal. Lab. Code § 512(a) (five- and ten-hour triggers, waiver conditions); § 226.7(c) (one additional hour of pay); Wage Order § 11. *Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004 (employer must relieve of duty and not impede, but need not police); *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal.5th 858 (the § 226.7 premium is the **REGULAR RATE OF COMPENSATION**, not base hourly rate, and applies retroactively). **THE PHRASE "REGULAR RATE OF COMPENSATION" IS LOAD-BEARING.** A policy still saying "base rate" or "hourly rate" understates every premium paid to any employee who also receives a non-discretionary bonus, shift differential or commission — and the handbook itself is then the proof of a uniform practice.

3.4 Rest Periods

You are authorized and permitted a paid rest period of at least ten consecutive minutes for each four hours worked, or major fraction of four hours. Rest periods are counted as hours worked and are paid. As far as practicable, a rest period falls in the middle of each work period.

A rest period is duty-free. You are not required to remain on the premises, carry a radio or phone, monitor communications, or remain on call. You will not be asked to keep yourself available to work during a rest period.

Rest periods may not be combined with a meal period and may not be used to arrive late or leave early. A rest period that is not taken is not accrued or paid out as additional time.

If a compliant rest period is not provided, you are owed one additional hour of pay at your regular rate of compensation for that workday, on the same terms as the meal period premium above.

AUTHORITY AND DRAFTING RATIONALE

Wage Order § 12; Cal. Lab. Code § 226.7. *Augustus v. ABM Security Services, Inc.* (2016) 2 Cal.5th 257 (on-call rest periods are not compliant — an employee required to remain reachable is not relieved of duty). *Ferra*, above, applies the regular-rate measure to rest premiums as well. Note the **"MAJOR FRACTION"** rule: an employee working 3.5 hours or more is entitled to a rest period, which is frequently missed in shorter shifts.

3.7 Overtime

Non-exempt employees are paid overtime at one and one-half times the regular rate of pay for hours worked over eight in a workday, over 40 in a workweek, and for the first eight hours worked on the seventh consecutive day of a workweek.

Double time is paid for hours worked over twelve in a workday, and for hours worked beyond eight on the seventh consecutive day of a workweek.

The regular rate of pay is not simply your hourly wage. It includes non-discretionary bonuses, shift differentials, commissions, and piece-rate earnings. When a non-discretionary bonus is earned over a period covering past workweeks, the Company recalculates the regular rate for those weeks and pays the resulting overtime true-up.

The Company's workweek begins [DAY, TIME] and its workday begins [TIME]. Overtime is never averaged across workweeks.

AUTHORITY AND DRAFTING RATIONALE

Cal. Lab. Code § 510(a); Wage Order § 3. *Alvarado v. Dart Container Corp. of California* (2018) 4 Cal.5th 542 (flat-sum bonuses are divided by **NON-OVERTIME** hours only, a divisor more favorable to the employee than the federal rule). The overtime true-up sentence exists because the failure to recalculate after a quarterly or annual bonus is a common, entirely mechanical underpayment that compounds across every affected workweek.

> Exempt classification is **NOT** established by a job title or by paying a salary. As of January 1, 2026 the salary floor for the executive, administrative and professional exemptions is **$70,304** annually — twice the state minimum wage of $16.90 for full-time employment ($16.90 × 2 × 2,080). The salary test is necessary but not sufficient; the duties test must also be satisfied.

3.9 Reporting Time Pay

If you report to work as scheduled and are given less than half of your scheduled day's work, you are paid for half the scheduled day, with a minimum of two hours and a maximum of four hours, at your regular rate of pay.

If you are required to report to work a second time in any workday and are given less than two hours of work, you are paid for two hours at your regular rate of pay.

Reporting time pay is not owed when the interruption is caused by a threat to employees or property, by a public utility failure, or by an Act of God or other cause outside the Company's control.

AUTHORITY AND DRAFTING RATIONALE

Wage Order § 5. *Ward v. Tilly's, Inc.* (2019) 31 Cal.App.5th 1167 held that on-call scheduling requiring an employee to **CALL IN** to learn whether to work can trigger reporting time pay even though the employee never physically appeared.

> **UNSETTLED.** *Ward* is a Court of Appeal decision; the California Supreme Court has not resolved the question, and its application outside call-in scheduling is contested. An employer using on-call or call-in shifts should treat this as an open exposure and obtain advice on its specific scheduling practice rather than relying on model language.

3.14 Business Expense Reimbursement

The Company reimburses all necessary expenditures and losses you incur in direct consequence of performing your duties, or of obeying the Company's directions.

This includes the business use of a personal mobile phone or internet connection where the Company requires or reasonably expects you to use one for work. Reimbursement is owed whether or not you incurred an additional out-of-pocket charge, and whether or not someone else pays your bill.

Mileage for business use of a personal vehicle is reimbursed at the IRS standard rate in effect when the mileage is driven. Required tools, equipment and uniforms are provided or reimbursed by the Company.

Submit expenses to [HR CONTACT] within [30] days. A late submission is not a basis for denying a reimbursement that is otherwise owed. If you believe you have incurred a reimbursable expense that is not listed here, raise it; the obligation is defined by the statute, not by this list.

AUTHORITY AND DRAFTING RATIONALE

Cal. Lab. Code § 2802(a). *Cochran v. Schwan's Home Service, Inc.* (2014) 228 Cal.App.4th 1137 (where an employee must use a personal cell phone for work, the employer must reimburse a **REASONABLE PERCENTAGE** of the bill — and it is irrelevant that the employee had an unlimited plan, or that a third party paid it). The final sentence is deliberate: § 2802 is not limited by an employer's enumeration, and a policy implying otherwise invites a claim that the list itself was the violation.

3.13 Wage Statements

With every payment of wages you receive an itemized written statement showing: gross wages earned; total hours worked (non-exempt); the number of piece-rate units and the applicable piece rate, if paid on a piece basis; all deductions; net wages earned; the inclusive dates of the pay period; your name and the last four digits of your social security number or an employee identification number; the name and address of the legal entity that employs you; and all applicable hourly rates in effect during the pay period with the corresponding hours worked at each rate.

If you are entitled to paid sick leave, the amount available to you is shown on your wage statement or on a separate writing issued with your pay.

If anything on your wage statement appears incorrect, report it to [HR CONTACT]. The Company will investigate and correct any error.

AUTHORITY AND DRAFTING RATIONALE

Cal. Lab. Code § 226(a)(1)–(9) (the nine required items); § 246(i) (available sick leave). The employing entity must be the **LEGAL ENTITY** that employs the worker — a trade name, a brand, or a payroll processor's name is a § 226 defect even when every number on the stub is correct. Penalties under § 226(e) require a **KNOWING AND INTENTIONAL** failure and injury; a defective stub also commonly supports a derivative claim and, where wages were actually unpaid at separation, waiting time penalties under § 203.

4.1 Paid Sick Leave Updated for 2026

You accrue paid sick leave at not less than one hour for every 30 hours worked, beginning on your first day of employment. You may use accrued leave beginning on your 90th day of employment. The Company may limit use to 40 hours or five days per year, whichever is greater, and may cap total accrual at 80 hours or ten days, whichever is greater. Accrued, unused leave carries over from year to year, subject to that cap.

You may use paid sick leave for your own diagnosis, care, treatment or preventive care, or for that of a family member. You may use it if you are a victim of domestic violence, sexual assault or stalking. **You may also use it if you or a family member is a victim of a qualifying crime and you need to attend or participate in related judicial proceedings.**

You may use leave in increments of two hours or less if you wish. The Company does not require you to find a replacement worker, and does not require a doctor's note as a condition of using accrued leave.

No employee will be disciplined, discriminated against, or retaliated against for requesting or using paid sick leave, or for being a victim of violence or a qualifying crime.

AUTHORITY AND DRAFTING RATIONALE

Cal. Lab. Code §§ 245–249 (Healthy Workplaces, Healthy Families Act); § 246(b), (i); § 246.5 (permissible uses and anti-retaliation). The judicial-proceedings and victim provisions reflect **AB 406, EFFECTIVE JANUARY 1, 2026**, which expands permitted uses and strengthens the anti-retaliation rule.

VERIFY BEFORE ADOPTING. The AB 406 description here is drawn from secondary summaries of the 2026 session and has **NOT** been confirmed against the enrolled bill text on leginfo. Confirm the operative language and any local ordinance that exceeds the state floor — several California cities impose higher accrual or use requirements.

What this document is, and is not

This is a model. It is written to be strong where California law is settled, and to say so plainly where it is not. It is not legal advice, it is not a substitute for counsel, and reading it does not create an attorney-client relationship with RHP Law, P.C.

A handbook is only as good as the practices underneath it. A meal period policy that reads correctly while the timekeeping system auto-deducts thirty minutes is not protection — it is a written admission that the employer knew the rule. Every policy above assumes the practice will be conformed to the page.

Bracketed text marks a decision the employer must make. Those are not drafting placeholders to be filled in mechanically; each one is a choice with consequences.

Verified against	Source
Minimum wage $16.90, effective Jan. 1, 2026	California DIR / DLSE, primary source — confirmed
Exempt salary floor $70,304	Derived: $16.90 × 2 × 2,080 hours — arithmetic confirmed
Statutes and wage orders cited	RHP.Hub vetted authority index (398 records, incl. all 17 IWC wage orders)
AB 406, SB 294, AB 692, SB 513, SB 642	**Secondary sources only — not yet confirmed against enrolled bill text**
Case holdings cited	**Not individually re-verified for subsequent history in this draft**

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Prepared November 13, 2026. California employment law changes annually; a handbook that was sound when written may not be today, which is the reason this document exists.
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