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California Governor Revives Industrial Welfare Commission



The California Industrial Welfare Commission (IWC) was established to regulate wages, hours, and working conditions in California. Importantly, the IWC adopted "wage orders," which establish specific rules for various industries. California has not funded the IWC since 2004, and it has not been in operation. This is likely to change.

California Governor Gavin Newsom signed Assembly Bill 102 (AB 102) into law in July 2023. AB 102 allocates \$3 million for the IWC "to convene industry-specific wage boards and adopt orders specific to wages, hours, and working conditions in such industries, provided that any such orders shall not include any standards that are less protective than existing state law." Additionally, AB 102 provides that the IWC "shall prioritize for consideration industries in which more than 10 percent of workers are at or below the federal poverty level." Under AB 102, the IWC "shall convene by January 1, 2024, with any final recommendations for wages, hours, and working conditions in new wage orders adopted by October 31, 2024."

Given AB 102's dictates, the IWC is likely to recommend changes to a number of California wage orders. Employers should monitor developments in this area and work with experienced counsel regarding any questions they have about the implications of AB 102.

Authors

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