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Big Changes To California's Garment Industry Possible

July 9, 2020 | [Labor And Employment, State Labor Laws](#)



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On June 25, 2020, the [Garment Worker Protection Act, SB 1399](#), passed the California Senate in a 25-11 vote. The bill was introduced by State Sen. Maria Elena Durazo, the former secretary-treasurer of the Los Angeles County Federation of Labor, who said that it is meant to address long-standing issues for garment workers, “who, when paid by the piece, earn on average \$5.15 per hour.”

Currently, many workers engaged in garment manufacturing are paid on a piece-rate basis, meaning that they are paid per each item they make, regardless of how long it takes to make the item. SB 1399 would prohibit piece-rate pay for California garment workers. Consequently, if the bill passes, garment manufacturers will need to change their pay structures to ensure that workers are paid on an hourly basis.

The California bill also seeks to close a loophole in an earlier law, AB 633, which sought to prevent wage theft against garment manufacturers by mandating that businesses that contracted to have garments manufactured were liable as guarantors for unpaid wages and overtime of garment workers. Supporters of SB 1399 argue that manufacturers have attempted to avoid

liability under AB 633 by adding layers of contracting between themselves and the employees making the garments. SB 1399 therefore clarifies that a business contracting to have garments made is liable for unpaid minimum wages and overtime of workers regardless of how many layers of contracting exist.

The bill defines a “brand guarantor” as a person contracting for the performance of garment manufacturing, regardless of whether the person with whom they contract performs manufacturing operations or hires a contractor or subcontractor to perform the operations. The bill specifies that a person who is engaged in garment manufacturing and contracts with another person for the performance of garment manufacturing shares joint and several liability with a contractor and a brand guarantor for all civil legal responsibility and liability for all workers employed by the contractor.

The bill also requires those parties to guarantee the payment of unpaid minimum wages, overtime pay, break premiums, and other damages and penalties, and to guarantee failure to secure workers’ compensation coverage.

Further, the bill expands the definition of garment manufacturing to include dying, altering a garment’s design, and affixing a label to a garment. It also requires garment manufacturers to maintain additional records for three years, including all contracts, invoices, purchase orders, work orders, style or cut sheets, and any other documentation pursuant to which work was performed.

There is strong opposition to the bill among many in the apparel industry, however, it is not clear whether that will be enough to stop the bill from being approved by the California State Assembly and becoming law.