

CALIFORNIA

California Adopts Warehouse Distribution Center Quota Law

On Sept. 23, 2021, California adopted a [new law](#) that requires distribution centers to provide their employees with written quota descriptions upon hire. The law also prohibits quotas that would prevent compliance with employee meal and rest break requirements or safety and health laws. The new law becomes effective on **Jan. 1, 2022**.

Affected Employers

Warehouse distribution centers (other than those used for farm product warehousing or storage) are affected by this law if they fall within any of the following North American Industry Classification System (NAICS) codes:

- 493110—General Warehousing and Storage
- 423—Merchant Wholesalers, Durable Goods
- 424—Merchant Wholesalers, Nondurable Goods
- 454110—Electronic Shopping and Mail-order Houses

Written Quota Descriptions

Affected employers must provide each employee a written description of their quotas within 30 days of hire or by Jan. 1, 2022. This description must include:

- The quantified number of tasks to be performed or materials to be produced or handled;
- The defined time period; and
- Any potential adverse employment action that could result from failure to meet the quota.

Covered employers may not take adverse employment action against employees who fail to meet any quota that has not been disclosed in writing.

Finally, the new law provides employees the right to request a copy of any quota, as well as data on the most recent 90 days of their own personal work speed. Employers are prohibited from retaliating against employees that make these requests.

Quotas

A work standard under which employees may suffer adverse employment action if they are assigned and fail to:

- Perform at a specified productivity speed;
- Perform a quantified number of tasks; or
- Handle or produce a quantified amount of material within a defined time period.

The new law requires California distribution centers to provide their employees with written quota descriptions upon hire.