LOS ANGELES COUNTY
CONSUMER & BUSINESS AFFAIRS

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March 6, 2026

To: Supervisor Hilda L. Solis, Chair
Supervisor Holly J. Mitchell
Supervisor Lindsey P. Horvath
Supervisor Janice Hahn
Supervisor Kathryn Barger

From: Rafael Carbajal
Director

REPORT ON ADVANCING LAST PAYCHECK SECURITY (ITEM NO. 61-A, AGENDA OF DECEMBER 9, 2025)

On December 9, 2025, the Board of Supervisors (Board) directed the Department of Consumer and Business Affairs (DCBA or Department), through its Office of Labor Equity (OLE), in consultation with County Counsel, the Department of Economic Opportunity (DEO), and other relevant departments, to report back on the feasibility of establishing an ordinance that would:

1. Require employers to provide a designation form (Form) to existing employees and new hires who perform work in the unincorporated areas of the County, regardless of immigration status;
2. Allow employees to designate a person who shall be entitled to receive all paychecks due and payable to the employee in the event of the employee's unavailability;
3. Require employers to deliver employees' paychecks to the employees' respective designees in the event of the employees' unavailability and upon providing sufficient proof of the designee's identity to the employer; and
4. Provide a private right of action for aggrieved persons.[1]

The December 9th Board motion (Motion) further directed DCBA to include recommendations on specific elements of a proposed ordinance, include draft templates of the Form with guidance for employers, and a proposed communication strategy to educate employers through various platforms and at business touchpoints with the County.

[1] Board Motion of December 9, 2025

This report addresses the following:

1. The feasibility of establishing a last paycheck ordinance;
2. Recommendations on specific requirements highlighted in the Motion, informed by stakeholder feedback;
3. A proposed communication strategy to educate employers of the potential ordinance, and technical assistance; and
4. Draft templates of the Form and an accompanying guide for employers (attached).

In preparing this response, DCBA collaborated with relevant departments and reached out to numerous businesses, workers, and immigration stakeholders, seeking feedback from each perspective. While the Department cast a wide net, the response was limited; though, we anticipate a higher level of engagement should any proposed ordinance language be considered by the Board in open forum.

Feasibility of Establishing a Last Paycheck Ordinance

In close consultation with County Counsel, it was determined that the County possessed the authority to enact an ordinance that met the four conditions of the Motion without presenting a conflict with State or federal law. Furthermore, State Labor Code requirements regarding delivery of final paychecks do not rise to the level that would preempt the County from implementing an ordinance.

In situations where an employee quits without notice, which covers the circumstances when an employee is no longer available to work due to detention, deportation, or other similar circumstances, State Labor Code deems all wages owed to such employee due and payable not later than 72 hours. It also entitles the employee to request and receive payment by mail at an address they designate, with the date of mailing acting as the date of payment for the purposes of the 72-hour rule.[2] The County would be acting within its authority if, in addition to this 72-hour rule, it required the employer to act on explicit instructions from an employee to mail the final paycheck in care of an authorized party, or allow that party to pick up a paycheck on the employee's behalf. In the opinion of the Department, this would not place an unreasonable burden or risk on our local businesses that could be reasonably challenged in court.

The County may also include the enforcement option expressed in the Motion, allowing a person aggrieved by a violation to bring a civil action seeking actual damages, injunctive relief, and reasonable attorney fees and costs.

[2] Lab. Code, § 202

As directed in the Motion, the requirements affect every business and employee within the unincorporated areas (UIA), and all businesses located outside the UIA that have employees performing work in the UIA. Additionally, current State Labor Code already provides a mechanism for an employee to identify a mailing address of a third party to receive their wages owed; however, the law assumes the employee can contact their employer and make the necessary request. This proposed extension of that requirement is designed to accommodate those workers for which circumstances prevent them from communicating directly with their employer, and thus potentially delaying access to their wages at a time of urgent need. In recognition of the potential administrative impacts and liability concerns this requirement may add to the business community, particularly under-resourced small businesses, the Department has prepared additional considerations both within the potential ordinance language itself and as part of its proposed outreach plan to help mitigate and reduce potential impacts and risk, while still preserving the desired intent of the Motion.

Recommendations on Ordinance Requirements

To align with the Motion and the stakeholder feedback, DCBA recommends that a proposed ordinance consider the following:

1. **Define "unavailability" in a limited, administrable way:** A proposed ordinance should not presume that particular circumstances equate to a voluntary resignation by the employee. Absent notice directly from the employee or an authorized representative, employers should maintain discretion regarding termination. DCBA suggests caution in mandating a final determination on employment based on anything beyond that.

2. **Preserve an initial opportunity for the employee to request/receive the paycheck directly:** The employee should first be given the opportunity to collect their wages before their employer acts upon the direction of the Form. One limitation of filling out a Form is that it requires an employee to request that an employer distribute funds to a designee in <u>all</u> scenarios where they may be determined to be unavailable, which may not always be the intention of the employee. As this Form will often be used as a preemptive measure and cannot reasonably delineate different events and unique instructions for each, the Department would recommend requiring a short initial period of time (72 hours or less) for the employer to give notice of termination only to the employee and an opportunity to collect the last paycheck. This initial step would temporarily preserve the privacy of their situation and allow them to act under the circumstances of the moment. Following the expiry of that period, with funds remaining unclaimed and no contact from the employee, the employer can then provide notice to both the employee and designee that they are acting on the instructions of the Form.

3. **Set clear eligibility rules for designees and delivery methods:** A designee should not be a minor, but could potentially be a corporation, trust, or an estate, provided that a specific human contact is clearly identified. Additionally, an employee should be able to request that a final paycheck be mailed to a designee if they provide a viable address within the United States and the designee can provide sufficient proof of identity prior to mailing the employee's check.

4. **Tie language access requirements to County-provided templates:** The Form should be required to be presented in the employee's primary language only if the County makes available templates in that language. Such a requirement would mirror the recent Workplace Know Your Rights Act, which for its own noticing requirements, allows an employer to provide notices in English if a template notice is not available.[3] Mandating employers to provide translations themselves would be overly burdensome, especially to small businesses and expose them to unnecessary liability.

5. **Presentation of Form, annual reminder requirements and records retention**: Employers should present the Form to all existing employees and upon the hiring of new personnel as part of the onboarding process. Thereafter, employers should provide an annual reminder to all employees, similar to the requirements of the Workplace Know Your Rights Act, of their rights related to the form, including the ability to submit or revise at any time. Additionally, employers should be required to retain copies of any submitted Form, for a minimum of one-year, post-separation.

   The Motion contemplates requiring all employees to fill out the Form, even if they decline to name a designee. While this requirement is legally permissible to include in the ordinance, DCBA would suggest that forcing the interaction with the employer may do more harm than good. The ordinance cannot readily control how the form is presented to potentially at-risk employees, nor can it control how an employer interprets a submission or an interaction with an employee when documenting a declination. Requiring an employer to provide the form to all employees and to act on a submitted form (including a form submitted by a designee for an employee who becomes unavailable) should be sufficient to reach the goals of the Motion and better serve both the business and worker interests.

Communications Strategy and Technical Assistance

Framing and worker participation considerations

While the Motion was prompted by concerns related to current federal immigration enforcement activity, the proposed Form and any associated ordinances benefit all

[3] Lab. Code, § 1553

employees, regardless of immigration status or personal circumstance. Many workers may face situations in which they are temporarily unavailable to collect their pay, such as medical emergencies, natural disasters, caregiving responsibilities, travel disruptions, or other unexpected events. Allowing workers to designate a trusted individual to receive wages on their behalf can provide an additional safeguard to ensure timely access to earned income during periods of disruption.

The Department, and the stakeholders with which we engaged, worry that the ordinance can only guide how employers introduce this opportunity to workers and that if it is presented by the employer in the wrong context, the interaction may unintentionally discourage participation among those who fear that identifying themselves or their designees exposes them to added scrutiny. While ordinance language could require that the Form be offered and completed voluntarily and without duress, coercion, or intimidation, these safeguards may have limited practical effect if workers perceive that completing such documentation could create potential risk. For this reason, the Department and stakeholders emphasize the importance of framing the policy as a broadly applicable worker protection and ensuring that outreach and employer guidance reflect its universal purpose and voluntary nature.

Existing County touchpoints with employers

With those considerations in mind, educating both employers and employees is critical. The County does have various touchpoints with businesses such as:

- The OLE's annual distribution of notices related to the County's minimum wage throughout the unincorporated areas
- The Treasurer Tax Collector's business licensing
- County contract terms and conditions managed by the Internal Services Department
- Registrar Recorder's fictitious business name filings
- DEO's workforce and economic development programming

However, none of those channels engage the full complement of businesses that would be mandated to follow the ordinance requirements, especially those businesses located outside UIA or the County entirely. Such conditions place particular importance on the accompanying guidance with the template forms and the leveraging of existing partnerships with the business, worker, and immigrant-servicing community-based organizations (CBOs) to help ensure the Form is both presented appropriately and the risks of its use are accurately understood.

Employer education and technical assistance

In anticipation of the passage of an ordinance, the Department would look to develop informational resources with its County and CBO partners and then merge them with existing OLE outreach activity related to the County's minimum wage and Prevention of Human Trafficking ordinances. Routine OLE communications to businesses in the unincorporated areas, including mailers and other informative flyers, posters, and community presentations would highlight the ordinance and connect businesses and workers to a dedicated web page.

OLE would continue to leverage its partnership with the LA Worker Center Network to include ordinance awareness as part of its ongoing employer outreach, education, and support campaigns. These campaigns generally focus on low wage earners and historically disenfranchised communities, performing multilingual workshops, webinars, training, labor rights counseling, and referral services.

Additionally, the Department recognizes that many small businesses operating in the unincorporated areas do not have a formal Human Resources infrastructure and often rely on limited administrative capacity to navigate workplace compliance requirements. As such, OLE is exploring potential partnerships with business-support organizations and affinity groups, such as the Los Angeles Regional Small Business Development Centers and chambers of commerce to develop and disseminate toolkits that help employers, specifically small businesses, navigate State and County labor and employment law compliance. As part of this effort, DCBA will develop a Small Business Onboarding Toolkit for employers in the unincorporated areas. The toolkit will consolidate key County worker protection requirements and resources into a single, practical package that employers can use when hiring and onboarding employees. This resource could include materials related to the County's Minimum Wage Ordinance, Fair Chance Hiring Ordinance, Prevention of Human Trafficking Ordinance, and other applicable worker protections, along with the proposed designation Form and guidance associated with the proposed last paycheck ordinance. By consolidating these resources into a single onboarding package and distributing it through County touchpoints, the County can both facilitate compliance for small business owners and improve worker awareness of their rights.

Worker-facing outreach and trusted messengers

As undocumented immigrants are the most vulnerable targets for wage theft, the Office of Immigrant Affairs (OIA) housed within DCBA will also update its extensive "Know Your Rights" digital hub and look to incorporate ordinance-related information and resources into its ongoing campaign to spread awareness throughout the community, conducting virtual and in-person informational events where attendees receive immigration policy updates, information on preventing and identifying *notario* fraud, and awareness of immigrant-focused services provided by other County agencies, and enforcement agencies.

OIA will also continue to work with contracted service providers through RepresentLA and the Mobile Immigration Services Program to encourage awareness of the ordinance. These partnerships are essential to respond to emerging needs, including those actively at risk of deportation. DCBA is also committed to coordinating County departments that have touchpoints with business and worker communities to integrate connections to relevant OLE and OIA resources should the board move forward with an ordinance.

OLE and OIA have also met with the California Labor Commissioner to discuss strengthening coordination between our agencies, including future joint efforts to educate workers and employers on their rights and responsibilities regarding a workers' final paycheck. The discussion focused on formalizing partnerships to better align outreach strategies and the sharing of resources in support of worker awareness and employer compliance. Through this ongoing collaboration, the Department aims to expand outreach and ensure workers have clearer access to information about their rights not only under County policies but also under State law.

Compliance Considerations

While the Motion contemplates only a private right of action and does not direct enforcement through OLE, the Department still anticipates that both workers and businesses will be requesting guidance on how best to resolve existing complaints, requiring technical assistance that extends beyond the awareness efforts detailed in this report. DCBA can absorb the planned ordinance outreach within its existing awareness strategy, but these additional types of compliance inquiries may have an impact on OLE's counselling capacity. Consistent with its practice in all worker protection matters, even regulations it doesn't directly enforce, OLE provides one-on-one counseling to workers, employers and the members of the public for all County worker protections.

DCBA would like to highlight that stakeholders voiced concerns related to liability and the exposure to frivolous lawsuits a private right of action would potentially create. An alternative would be to rework a proposed ordinance to allow enforcement through the Department and County Counsel, but that would require additional consideration and evaluation of potential fiscal impacts that should precede any recommendation DCBA or County Counsel might provide.

Next Steps

Should your Board intend to direct County Counsel to prepare an ordinance, the Department recommends allowing sufficient time to further vet the forms and guidance materials with a variety of stakeholders prior to implementation. The templates attached to this report are based on a hypothetical ordinance framework and would require refinement to align with the final adopted language and additional stakeholder input.

Consistent with the Board's direction, DCBA will also work with the Chief Executive Office to assess potential resource needs associated with implementation, including outreach, employer education, and any additional staffing or compliance support that may be required

If you need additional information, please contact me or Rose Basmadzhyan, Deputy Director, Office of Labor Equity, at RBasmadzhyan@dcba.lacounty.gov or (213) 712-5518.

RC:JA:EV
CO:RB:MR:ph

Attachment

c: Executive Office, Board of Supervisors
Chief Executive Office
County Counsel
Economic Opportunity

Attachment
Template Form & Employer Guidance

EMPLOYEE PAYCHECK DESIGNEE FORM

(Los Angeles County Code Chapter ####)

SECTION 1 – EMPLOYEE INFORMATION

Employee Name: _____

Home Address: _____

_____

Phone Number: _____

Email (optional): _____

Employer Name: _____

Worksite Address: _____

SECTION 2 – DESIGNATION OF PAYCHECK DESIGNEE

I, the employee identified above, hereby designate the individual listed below to receive any paychecks due and payable to me in the event I become unavailable, including due to detention, arrest, hospitalization, or other comparable circumstances.

Designee Name: _____

Relationship to Employee: _____

Designee Phone Number: _____

Designee Address: _____

_____

Designee Email (optional): _____

SECTION 3 – AUTHORIZATION

By signing below, I authorize my employer to release any paychecks due and payable to me to the designee listed above upon presentation of proof of identity and confirmation of my unavailability. **I understand that:**

- I may modify or revoke this designation at any time during my employment.

Initial Here: _____

- I may modify this designation for up to one year following separation from employment.

Initial Here: _____

- My employer may not retaliate against me for completing or declining to complete this form.

Initial Here: _____

Employee Signature: _____ **Date:** _____

SAMPLE

Attachment
Template Form & Employer Guidance

EMPLOYEE PAYCHECK DESIGNEE FORM

(Los Angeles County Code Chapter ####)

SECTION 4 – EMPLOYEE DECLINATION (optional)

I decline to designate a person to receive my paycheck in the event of my unavailability.

I understand that if I later choose to, I may establish a designee to receive my paycheck in the event of my unavailability by completing a new Employee Paycheck Designation Form at any time during my employment and up to one year following separation from employment.

Employee Signature: _____

Date: _____

FOR EMPLOYER USE ONLY

SECTION 5 – EMPLOYER ACKNOWLEDGMENT

The employer affirms that this form was provided to the employee in the employee's primary language, to the extent available from the County, and that no coercion, intimidation, or retaliation occurred in connection with this designation.

Employer Representative Name: _____

Title: _____

Signature: _____

Date: _____

Date Completed Form Received from Employee: _____

Date Entered into Employee Personnel File: _____

Notes: _____

_____

_____

_____

SAMPLE

Attachment
Template Form & Employer Guidance

GUIDE: EMPLOYEE PAYCHECK DESIGNEE FORM
(Los Angeles County Code Chapter ####)

Guide to Using a Designee Form for Final Paycheck When Employee is Unavailable

SAMPLE

PURPOSE

A Designee Form allows an employee to authorize another individual (a "designee") to receive any final paychecks due and payable in the event the employee is unable to collect it personally.

APPLICABILITY

All employees that perform work within the unincorporated areas of the County must fill out this Designee Form, even if they decline to name a designee.

EMPLOYER OBLIGATIONS

I. Employers must have all existing employees complete a Designee Form by _____ 1, 2026 and at the time of hire thereafter for all new employees.

II. Employers must annually remind all employees that they have the right to modify this form at any time.

III. Employers must accept a Designation Form from a former employee up to one year after their employment ends.

IV. The form must be provided in the employee's primary language (if the translated form is made available by the Los Angeles County Department of Consumer and Business Affairs ("DCBA").

V. Employees must be allowed to complete the form free from coercion, intimidation or retaliation.

VI. If an employee declines to name a designee, the Employer must obtain the Employee's signed acknowledgment of refusal on the Designee Form.

RELEASE OF PAYCHECKS TO A DESIGNEE

- If an employee has not claimed a paycheck for a period of 72 hours from the pay date, the employer shall mail notices to the employee and designee informing them of the unclaimed paycheck.
- The designee must present **proof of identity** before the paycheck can be released.

Attachment
Template Form & Employer Guidance

GUIDE: EMPLOYEE PAYCHECK DESIGNEE FORM

(Los Angeles County Code Chapter ####)

RECORD RETENTION

Employers must retain:

I. Completed Designation Forms

II. Any modifications, and

III. Notices provided to employees and designees

These records must be kept by the employer for at least one year after the employee separates from employment.

USE OF DESIGNEE FORM

The Designee form is a written form issued or approved by the Department of Consumer and Business Affairs and can be found at workers.lacounty.gov

SAMPLE