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**Introduced by Senator Ducheny**

February 19, 2010

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An act to amend Section 2751 of the Labor Code, relating to employment.

LEGISLATIVE COUNSEL'S DIGEST

SB 1370, as introduced, Ducheny. Employment contract requirements.

Existing law requires an employer who has no permanent and fixed place of business in the state and who enters into a contract of employment involving commissions as a method of payment with an employee for services to be rendered within the state to put the contract in writing and to set forth the method by which the commissions are required to be computed and paid. An employer who does not comply with those requirements is liable to the employee in a civil action for triple damages.

This bill would make this contract requirement applicable to all employers entering into a contract of employment involving commissions as a method of payment with an employee for services to be rendered in the state.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 2751 of the Labor Code is amended to  
2 read:  
3 2751. (a) Whenever ~~any an~~ employer ~~who has no permanent~~  
4 ~~and fixed place of business in this State~~ enters into a contract of  
5 employment with an employee for services to be rendered within

1 this ~~State~~ *state* and the contemplated method of payment of the  
2 employee involves commissions, the contract shall be in writing  
3 and shall set forth the method by which the commissions shall be  
4 computed and paid.

5 (b) The employer shall give a signed copy of ~~each such~~ *the*  
6 contract to every employee who is a party thereto and shall obtain  
7 a signed receipt for the contract from each employee.

8 (c) As used in this section, “commissions” does not include  
9 short term productivity bonuses such as are paid to retail clerks;  
10 and it does not include bonus and profit-sharing plans, unless there  
11 has been an offer by the employer to pay a fixed percentage of  
12 sales or profits as compensation for work to be performed.