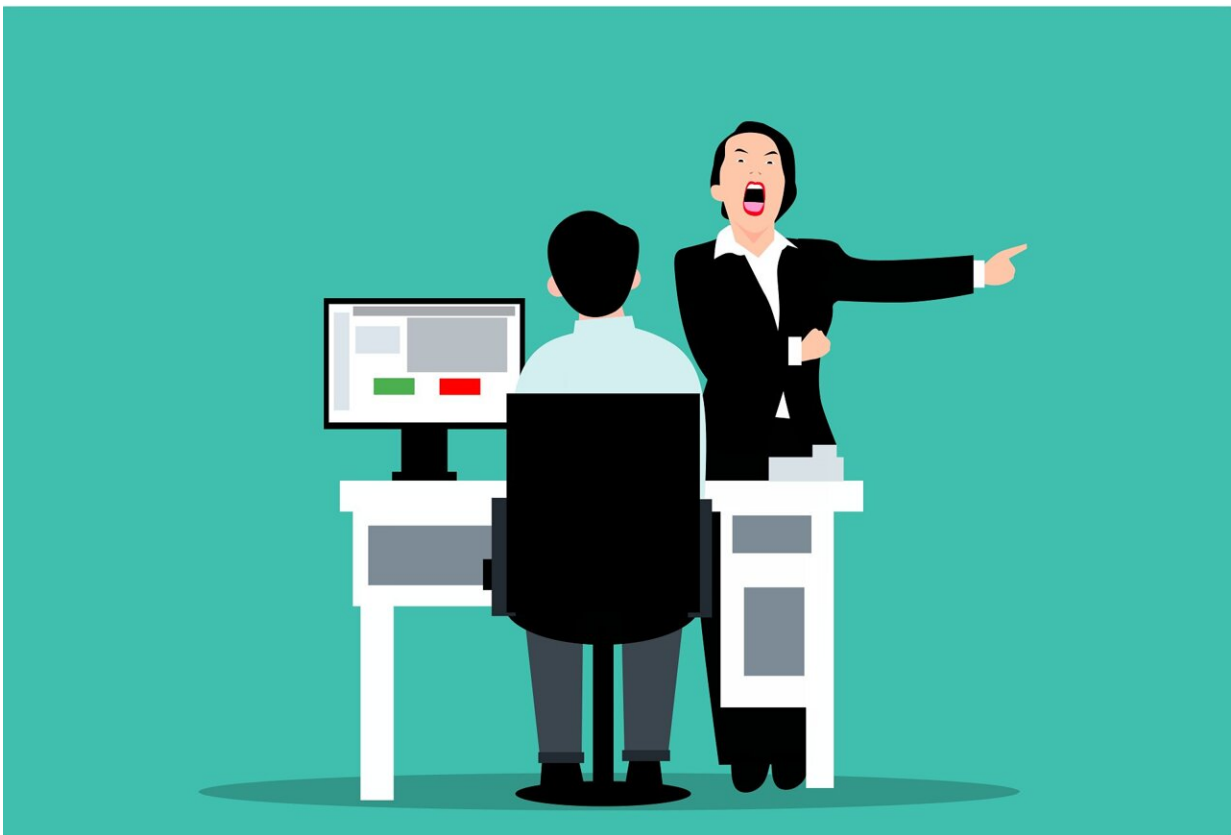


After Twitter layoffs, California bill would strengthen protections for workers

March 9 2023, by Kiera Feldman and Suhauna Hussain



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The tech industry has been roiled by waves of layoffs, with tens of thousands of workers losing their jobs in recent months. After Tesla billionaire Elon Musk took over Twitter in October, he abruptly slashed

nearly half its workforce, then went back for more.

But all that upheaval may lead to stronger layoff protections for millions of California workers.

Citing recent events in the [tech industry](#), state lawmakers have introduced a bill that would force employers to give workers more notice of mass layoffs and would extend these protections to contract workers, who currently are excluded under state and federal law.

"Innovative industries like tech are a critical part of our state's economy, and we know that tech companies start here and grow here because of our highly skilled workforce," Assemblymember Matt Haney (D-San Francisco), who introduced the legislation, said in a statement. "This bill is about protecting that workforce, from the engineers to the janitors, and making sure they're treated fairly during a job transition. To be pro tech, we have to be pro tech-worker."

The proposed legislation would require employers who lay off more than 50 workers at a time to give employees 90 days' notice. It would also prohibit employers from pressuring workers to sign away their rights through waivers, nondisclosure agreements or non-disparagement agreements in exchange for severance pay.

Curtailing the use of such agreements would be a major development in the tech industry, which has been under fire for tying severance packages to non-disparagement agreements.

At Twitter, for example, when laid-off workers received their severance packages months later, they came with some major strings attached: To get the money, departing employees had to sign away their right to ever sue the company, assist anyone in a legal case against the company unless required by law, or speak negatively about Twitter, its

management or Musk.

Under the proposed bill, what Musk did at Twitter would probably be illegal, and all agreements signing away workers' rights would be voided.

Twitter, which no longer has a communications team, did not respond to a request for comment.

Under the federal WARN Act, companies with more than 100 employees are required to give at least 60 days' notice if they plan to lay off more than a third of the workers at one location or more than 500 employees, regardless of the percentage, within a 30-day period. An employer that violates the notice requirement may be liable for back pay for the number of days less than the 60-day requirement. Companies often offer 60 days of severance pay in lieu of notice.

California's WARN Act is even stricter, applying when there's a layoff of 50 or more employees within a 30-day period, and the employer can be liable for civil penalties in addition to the back pay.

The proposed legislation—the Protect Laid-Off Workers Act—also "closes the gaping loopholes" in state law to expand layoff protections to contract workers, Haney said.

"The contract workforce is kind of a shadow workforce. It doesn't have the visibility or the voice or the protections of employees," said Tim Rowley, chief operating officer of staffing platform PeopleCaddie. Although focus has been on layoffs of employees at large [tech companies](#) in recent months, mass layoffs of contract workers at these same companies have largely escaped notice.

"When you hear about layoffs, you're not hearing about the contractor community," Rowley said. "A big tech firm can lay off literally

thousands and thousands of contractors and no one would know about it because they aren't required to make the same sort of public announcement."

The proposed legislation is sponsored by TechEquity Collaborative, California Labor Federation, National Employment Law Project, Temp Worker Justice, National Legal Advocacy Network, California Employment Lawyers Association and Alphabet Workers Union-CWA.

"One of the worst parts of the contract work structure is a lack of severance and a lack of forms of compensation that last after being fired, like 401(k), vested stock options, etc. that directly employed workers get," David Jones-Krause, a former contract [worker](#) at Google and a member of Alphabet Workers Union-CWA, said in a statement. "Even if they are fired, they're leaving with all those things—we're not."

Across all industries, extensive reliance on contractors has resulted in the creation of a "second-tier workforce," one whose members are more likely to be people of color, said Laura Padin, director of work structures at National Employment Law Project.

"The fact that [contract workers](#) get zero warning in a mass layoff only exacerbates these inhumane conditions," Padin said. "Contract workers, like all workers, deserve adequate notice so they're not left out to dry when layoffs hit."

Contracted workforces are also under scrutiny at the federal level.

Last week, the National Labor Relations Board determined that Google is a "joint employer" of a group of Texas-based YouTube workers hired to work for the company by a staffing agency. For the purposes of collective bargaining, should the workers vote to unionize, Google is legally their boss, exercising "direct and immediate control over benefits,

hours of work, supervision and direction of work," the regional director of the NLRB wrote in the ruling.

Google has said the subcontracted [workers](#) are not its employees and could appeal the ruling.

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