



AB 359- Protecting Middle Class Grocery Jobs Through Worker Retention

IN BRIEF

Assembly Bill 359 will protect grocery workers from being terminated during a 90-day transition period if the grocery store (15,000 sq. ft. or larger) is undergoing a change of ownership.

Upon completion of the 90-day transition period, the new employer must provide a written performance evaluation. A satisfactory evaluation will result in the new employer considering an offer of continued employment for the worker.

BACKGROUND

Similar requirements have been passed at the local level in San Francisco, Santa Monica and Los Angeles. In July of 2011, the California Supreme Court upheld the Grocery Worker Retention Ordinance adopted by the City of Los Angeles in 2005.

The three ordinances aim at protecting the local grocery workforce since job security becomes an uncertain factor during change of ownership. Prior to the adoption of the local ordinances, grocery industry employers did not take into account the experience and seniority of workers.

An estimated 383,900 grocery workers reside in California. The extensive competition within the food retail business has led to billion-dollar merger transactions between some major grocers. Unfortunately, some of the consequences are carried over to the non-managerial workers, which may result in job loss.

THE PROBLEM

There are currently no state-level protections for grocery workers who can be terminated when billion-dollar grocery store corporations merge together to generate more profits. New owners have the discretion to terminate the employment of senior employees that worked under the former owners.

Additionally, public health concerns are raised when there is a change of ownership since grocery stores serve as a main point of contact for food and daily necessities. The health and well-being of consumers are directly impacted during the transition of workers.

THE SOLUTION

AB 359 will provide extensive protections to eligible employees that have worked for the former grocery store owner for a minimum of 6 months.

Job security and stability is an important priority for all Californians as the state workforce faces a 7% unemployment rate and declining wage and benefit levels in the retail sector. AB 359 will follow the lead of existing state laws and local ordinances that protect the workforce from being wrongfully terminated when the ownership of a worksite is transferred from one corporation to another.

This bill adds two critical layers of protections for grocery workers:

1. An eligible worker cannot be terminated during the 90-day transition period without a specific “cause”.
2. Eligible workers will be retained pending a satisfactory written evaluation from the new employer.

SPONSOR

United Food & Commercial Workers (UFCW)

FOR MORE INFORMATION

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