

State Updates

CALIFORNIA

NEW CASE: Fictitious Business Names Are Permissible On California Paystubs

In a recent decision ([Savea v. YRC Inc.](#)), the California Court of Appeals has held that employers can list their fictitious business name on employees' paystubs without running afoul of California Labor Code section 226's requirements.

Under California Labor Code §226, California employers are required to provide employees with an accurate, itemized written statement containing the following information:

1. gross wages earned,
2. total hours worked by the employee,
3. the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis,
4. all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item,
5. net wages earned,
6. the inclusive dates of the period for which the employee is paid,
7. the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number,
8. the name and address of the legal entity that is the employer, and
9. all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

The contents of the wage statements is heavily litigated and the penalties for failing to properly provide the required information are extremely steep. However, employers can (momentarily) breathe a sigh of relief with the Court of Appeals holding that employers can list their fictitious business name (rather than the business name registered with the California Secretary of State).

That being said, this decision is extremely likely to be reviewed by the California Supreme Court; therefore, it is recommended that employers continue to use their legal entity name in wage statements and avoid using fictitious names or DBAs.