

- The Labor Code **Private Attorneys General Act** [PAGA] of 2004 authorizes an aggrieved employee to bring a civil action to recover specified civil penalties that would otherwise be assessed and collected by the state Labor and Workforce Development Agency.
- “Today, PAGA fills a unique niche in the political realm as a **“four letter word,”** much like the California Environmental Quality Act (CEQA).” -- [Senate Rules Committee Analysis](#).
- According to [FixPAGA](#), “Two decades later, it’s clear that PAGA’s lawsuit-first approach has failed – it’s ineffective and inefficient for workers and unfair for thousands of small businesses.”
 - Under the lawsuit-first system, **workers get pennies on the dollar, while lawyers make billions.**
 - The lawsuit-first system **doubles the time** to resolve worker claims.
 - Family-run businesses ... become major targets for **predatory lawsuits**, often for minor technical violations.
 - Lawyers often file class-action-like lawsuits against small businesses for **violations as minor as a typo** or incorrect spelling on a pay stub.
- On their 2018 state ballot, 86% of NFIB members supported reducing PAGA’s financial incentives to sue employers and on their 2020 ballot 75% voted in favor of further reforms.
- Among the many findings of [a report published this year](#), it noted, “Letters of intent to file a lawsuit from lawyers can be used to frighten employers into settling before a PAGA lawsuit is filed” and “PAGA cases add the unnecessary burden of having expensive legal representation. The report recommended returning PAGA claims to the DLSE [Department of Labor Standards Enforcement]. **“PAGA provides no extra benefit to employees.”**”
- This year, the [Fair Pay and Employers Accountability Act](#), which would have repealed and replaced the Private Attorneys General Act (PAGA), qualified for the November General Election ballot.
- But, as the [Los Angeles Times reported](#) on June 18, “A deal has been struck ... backroom negotiations this month with unions and Democrats who opposed the initiative have resulted in a compromise that would **take the initiative off the November ballot.** Instead, the deal reforms PAGA in a way that both businesses and workers say resolves problems with the law.”
- **NFIB California supports the deal**, which was contained in [Assembly Bill 2288](#) and [Senate Bill 92](#), both of which Gov. Gavin Newsom signed into law July 1.