



DATA SHEET

---

# California Labor Code 2802(a)

How to safeguard your organization  
from California reimbursement laws.

Your team members represent your organization and products in the field. As a result, it's your business to ensure their safety and make sure their needs are met.

---

## Travel Reimbursement

You have to manage your team in a way that minimizes costs, complies with regulations, and grows your business.

The California Labor Code exists to address such concerns and needs of employers and employees statewide. Often, employers aren't even aware of violations they are committing until those issues come knocking. This is particularly true for employers with workers who use their personal vehicles to conduct company business.

According to California Labor Code 2802(a), those employees must be equitably compensated for travel expenses. This important and often overlooked ordinance has cost companies millions of dollars, simply because they did not know what they were supposed to do.

### AT A GLANCE

Most employers and employees are unaware that California requires equitable reimbursement for auto expenses.

California Labor Code Section 2802(a) requires reimbursement for the work – related use of a personal vehicle (See more here).

The Code is designed to prevent employers from passing operating expenses to their employees. For example, if an employer requires an employee to travel on company business, that employee must be reimbursed for the cost of travel.

An employer's obligations under Section 2802(a) require reimbursement for all expenses actually or necessarily incurred.

The Code permits auto allowance, reimbursements, or increase in pay, using a reasonable method to calculate the expense. All expenses must be measurable.

# Notable and Pending Cases

---

## Mayton et al. Konica Minolta Business Solutions USA, Inc.

Case No. RG12657116  
California Supreme Court, Alameda City  
March 4, 2015

\$1,225,000 settlement for approximately 620 outside sales representatives for unpaid business expenses on behalf of equipment salespeople.

---

## Aikin v. U.S TelePacific Corporation

Case No. BC513391  
California Supreme Court, Los Angeles City

Labor Code 2802 putative class action for approximately 300 outside sales representatives.

---

## Garcia et al v. Sysco Los Angeles, et al.

Case No. BC560274  
California Supreme Court, Los Angeles City

Labor Code 2802 putative class action for approximately 1,500 Market Associate for \$17.9 million settlement.

---

## Alcazar et al. v. US Foods

Case No. BC567664  
California Supreme Court, Los Angeles City

Labor Code 2802 putative class action for approximately 750 sales representatives.

---

## Gallardo et al. v. Canon Solutions America, Inc.

Case No. CIVDSS1500375  
California Supreme Court, San Bernardino City  
April 22, 2015

\$750,000 settlement on behalf of approximately 300 outside sales representatives for violations of Labor Code 2802.

---

## Araiza et al. v., L.L.C.

Case No. BC570350  
California Supreme Court, Los Angeles City

Labor Code 2802 putative class action for approximately 100 merchandisers.

---

## **Garcia et al. v. Zoom Imaging Solutions, Inc.**

Case No. SCV0035770  
California Supreme Court, Placer City

Labor Code 2802 putative class action for approximately 200 sales representatives and service technicians.

---

## **Garza, et al. v. Regal Wine Company Inc. & Regal III, LLC**

Case No. RG12657199  
California Supreme Court, Alameda City  
February 21, 2014

\$1.7 million settlement for approximately 317 employees.

---

## **Lange v. Ricoh Americas Corporation**

Case No. RG136812710  
California Supreme Court, Alameda City  
August 18, 2014

\$898,600 settlement on behalf of approximately 250 employees.

---

## **Gagner v. Southern Wine & Spirits of America**

Case No. 3:10-cv-10-04405  
JSW N.D.Cal.  
December 11, 2012

\$3.5 million settlement reached for approximately 870 sales representatives.

---

## **Downs, et al. v. US Foodservice**

Case No. 3:10-cv-02163  
EMC N.D. Cal.  
September 12, 2012

\$3 million settlement reached for approximately 950 sales representatives.

# **The Problem with Traditional Business Vehicle Policies**

If you employ a traditional travel compensation program, such as an auto allowance or mileage reimbursement, you are likely paying out too much or too little. Programs like these may seem failsafe and easy to manage but can cut into profits in a variety of ways: by reimbursing people for miles never driven, or by accruing penalties and fines for operating a program that reimburses inequitably.

This data sheet shows you the CA Labor Code at a glance and lists what has happened to organizations that were found in violation. Don't get caught thinking that you are exempt. Knowledge is your first line of defense. And your second is an equitable, data-driven, and tax-defensible program that protects both your organization and your employees.

**Take a look at the information provided and contact us today to learn more.**

---

1660 S. Albion Street  
Suite 625, Denver, CO 80222

T: 303-357-2550

E: [info@mburse.com](mailto:info@mburse.com)

 [@teammburse](https://twitter.com/teammburse)

[mburse.com](http://mburse.com)