The California Contractor

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Keep your employees and your bank account happy

Offering employee benefits in California can feel especially challenging for small businesses. High living costs, rising medical insurance premiums, and a complex regulatory landscape all affect how employers design benefit programs. At the same time, California workers often place a high value on benefits that support health, flexibility, and financial stability.

With thoughtful planning and a clear understanding of state-specific options, California small businesses can offer meaningful benefits that support employees while remaining financially sustainable.

Why Benefits Matter in California

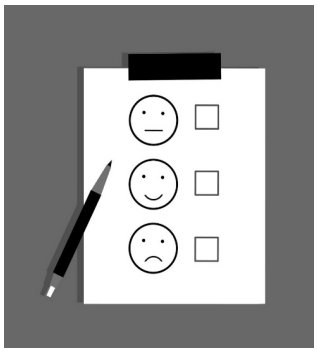
California's workforce is diverse, mobile, and competitive. Employees often compare benefit offerings closely when choosing where to work, particularly in industries where wages may be similar across employers.

Strong benefits can help California employers:

• Attract and retain skilled workers

• Reduce turnover in high-cost labor markets

• Support employee well-being and productivity



• Demonstrate compliance and professionalism in a highly regulated state

For small businesses, benefits can also help level the playing field with larger employers that may offer higher salaries.

California's Required Benefits: The Foundation

Before considering optional benefits, California employers must meet several state-mandated requirements. These form the baseline of any benefits strategy.

Key required benefits include:

• Paid Sick Leave: Most California employees are entitled to paid sick

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At A Glance

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Safety starts with getting to the job in one piece

Planning for slow seasons in your business

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Support: What benefits do employees value most?

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leave, with accrual and usage rules defined by state law and sometimes expanded by local ordinances.

• Workers' Compensation Insurance: Required for virtually all employers.

• Disability Insurance (SDI): Funded through employee payroll deductions for eligible workers.

• Paid Family Leave (PFL): Provides partial wage replacement for employees caring for family members or bonding with a new child.

• CalSavers Retirement Program: Employers with five or more employees who do not offer a retirement plan must register for CalSavers or provide an alternative qualifying plan.

Understanding and complying with these requirements is essential, but compliance alone is rarely enough to meet employee expectations.

What California Employees Value Most

In addition to required benefits, California employees often prioritize:

• Health insurance or health support

• Paid time off beyond the legal minimum

• Flexible or hybrid work arrangements

• Retirement savings options

• Family-friendly policies

Because housing, healthcare, and childcare costs are high, benefits that reduce out-of-pocket expenses or increase flexibility are especially meaningful.

Rising Medical Insurance Costs in California

Medical insurance costs have risen steadily across the state, and small businesses often feel the strain more acutely than large employers.

Common challenges include:

• Annual premium increases that outpace revenue growth

• Limited bargaining power with insurers

• Higher premiums for small risk pools

• Administrative complexity and compliance concerns

As a result, many California small businesses struggle to offer traditional group health plans or must carefully limit employer contributions.

Options for Offering Medical Insurance in California

Despite rising costs, California employers have several pathways to support employee healthcare.

Traditional Small Group Health Plans

• Available through private insurers or Covered California for Small Business (SHOP).

• Employers typically contribute a percentage of premiums.

• Offers comprehensive coverage but can be costly and subject to annual increases.

Covered California for Small Business (SHOP)

• Allows employers to offer ACA-compliant plans with some choice for employees.

• Employers may qualify for small business tax credits if eligibility requirements are met.

• Offers transparency and standardized plan options.

Health Reimbursement Arrangements (HRAs)

• HRAs allow employers to reimburse employees for individual health insurance premiums and qualified medical expenses.

• Employers set a fixed monthly allowance, helping control costs.

• Employees purchase coverage through Covered California or private marketplaces.

• This option is increasingly popular with small California employers seeking flexibility.

Employer Contributions to Individual Coverage

• Some businesses provide structured contributions to help employees offset individual insurance costs.

• These arrangements must be designed carefully to comply with state and federal rules.

Dental and Vision Insurance in California

Dental and vision benefits are often more affordable than medical insurance and are highly valued by employees.

Benefits include:

• Lower and more predictable premiums

• Improved preventive care and overall health

• High participation rates among employees

Dental and vision coverage can be:

• Fully employer-paid

• Voluntary, employee-paid

• Partially subsidized by the employer

For businesses unable to offer medical insurance, dental and vision

Please see BENEFITS, page 5

Planning for slow seasons in your business

Many companies rely on warm, dry weather to do the bulk of their work. Industries such as construction, landscaping, outdoor maintenance, agriculture services, tourism, retail, and event production often see demand slow dramatically during winter months. While seasonal downtime can be challenging, it doesn't have to threaten the health of a business. With thoughtful planning and clear communication, companies can use the off-season to stay stable, protect employees, and position themselves for a strong return in spring.

Plan Financially for Seasonal Cycles

A predictable slowdown is easier to manage than an unexpected one. Businesses that experience winter downtime benefit from building seasonal patterns into their financial planning.

Setting aside reserves during peak months can help cover fixed expenses such as rent, insurance, and equipment maintenance during slower periods. Creating a realistic annual budget—rather than month-to-month projections—allows leaders to plan for lower winter revenue while avoiding last-minute cost cutting. Reviewing cash flow regularly and adjusting spending as the busy season winds down can reduce stress and uncertainty later in the year.

Adjust Staffing Thoughtfully and Transparently

Staffing decisions are often the most sensitive part of managing seasonal work. Clear communication is essential.

Some companies reduce hours, implement temporary layoffs, or shift employees to part-time work during the winter. When possible, sharing these expectations well in advance allows employees to plan accordingly. Others rotate schedules so work is shared more evenly across the team.

Cross-training employees during the busy season can also pay off. Workers who can take on administrative tasks, customer service, equipment maintenance, or sales support may be able to stay employed longer into the winter months, benefiting both the company and the workforce.

Use the Off-Season for Training and Skill Development

Winter downtime can be an ideal opportunity to invest in employees.

Training programs, certifications, safety refreshers, and leadership development are often difficult to schedule during peak operations. Offering these opportunities during slower months can improve employee retention, boost morale, and increase productivity when work resumes. Even informal workshops or mentoring sessions can strengthen skills and reinforce company culture.

For businesses that rely on seasonal rehiring, maintaining engagement through training can make it easier to bring back experienced workers year after year.

Focus on Maintenance, Planning, and Process Improvement

When day-to-day operations slow, businesses gain valuable time to focus on tasks that are often postponed during busy periods.

Winter can be a good time to service vehicles and equipment, update policies and procedures, evaluate safety practices, and review past projects for lessons learned. Companies may also use this time to refine workflows, upgrade software systems, or improve record-keeping.

Strategic planning for the upcoming season—such as scheduling projects, negotiating supplier contracts, and reviewing pricing—can put the business ahead of competitors once demand increases again.

Explore Off-Season or Complementary Services

Some seasonal businesses find stability by offering services that are less weather-dependent.

For example, a landscaping company may add snow removal, holiday décor installation, or indoor plant maintenance. A construction firm might focus on interior renovations, inspections, or consulting work. Even limited off-season offerings can help maintain cash flow and keep key employees working.

Exploring partnerships with complementary businesses can also open new opportunities during slower months without requiring major investment.

Maintain Communication with Clients and Customers

Staying visible during downtime helps protect future business.

Winter is a good time to check in with clients, send updates, share project planning timelines, or market early-season booking incentives. Proactive communication reassures customers that the business is prepared and reliable, even when work is temporarily paused.

Plan for a Strong Restart

Finally, winter downtime should be viewed as part of the business cycle—not a setback.

Documenting lessons from the past season, confirming staffing plans, and ensuring equipment and materials are ready can make the spring ramp-up smoother and safer. Businesses that treat the off-season as a time to prepare, rather than simply endure, are often better positioned for long-term success.

By planning ahead, supporting employees, and using winter downtime strategically, seasonal businesses can remain resilient year-round and emerge stronger when warmer weather returns.

Safety at work starts before you get on-site

Whether you drive across town, bike a few blocks, or walk from the bus stop, the commute is part of most employees' daily routine—and one of the most overlooked safety risks of the workday.

According to the National Safety Council, motor vehicle accidents are a leading cause of workplace-related fatalities, and many occur off the clock, during travel to or from work or in parking lots just steps from the building. In fact, parking lots are hotspots for fender-benders, slips, and pedestrian accidents, especially during early morning and evening hours.

Commuting safely—and staying alert from the moment you leave home until you're inside the workplace—protects not just you, but your coworkers and community as well.

Here's how to stay safe year-round, and what to keep in mind as days get shorter and weather conditions shift in winter.

Year-Round Commuting Safety: Build Smart Habits Every Day

Safe commuting isn't about luck—it's about habits. No matter your mode of travel, consistency and awareness matter most.

1. Plan Ahead and Allow Extra Time

Running late increases stress and risky behavior behind the wheel.

• Aim to leave 10–15 minutes early.

• Check traffic and weather reports before you go.

• Choose routes that are well-lit and familiar whenever possible.

Even a small cushion of time reduces the temptation to speed or multitask while driving.

2. Eliminate Distractions

Phones, music controls, and even

eating in the car can take your attention away for crucial seconds.

• Silence notifications or use "Do Not Disturb" mode.

• Program your GPS before starting the car.

• If you need to make a call or send a message, pull over safely first.

3. Maintain Your Vehicle (or Bike)

Regular maintenance prevents breakdowns and accidents.

• Check tire pressure, fluid levels, and lights monthly.

• Replace wiper blades at least once a year.

• Make sure headlights and brake lights are clean and functional.

• Cyclists: inspect brakes, reflectors, and tires before each ride.

4. Be Alert in Transit

Whether driving, walking, or biking:

• Watch for pedestrians, especially near driveways and crosswalks.

• Keep a safe following distance—at least three seconds behind other vehicles.

• Make full stops at stop signs and red lights.

• Avoid "rolling" through parking lot stop signs or cutting across rows to save time.

5. Stay Visible

Visibility keeps everyone safer.

• Use headlights 30 minutes before sunset and 30 minutes after sunrise—or anytime visibility is poor.

• Cyclists and pedestrians should wear reflective gear or carry small lights, especially during early morning or evening commutes.

Parking Lot Awareness: Safety Starts Before the Door

Parking lots may feel low-risk, but they combine vehicles, pedestrians, limited visibility, and distractions—especially during rush hours.

1. Slow Down and Stay Focused

Drive no faster than 5 mph. Pedestrians often appear suddenly between cars.
Avoid texting or adjusting your phone while entering or exiting the lot.

2. Choose Your Spot Wisely

• Park in well-lit areas, especially during early mornings or after sunset.

• Avoid parking next to large vans or trucks that block your view.

• If possible, back into your space so you can pull forward when leaving—it improves visibility.

3. Watch for Pedestrians and Carts

• Stop completely at crosswalks or walkway intersections.

Please see COMMUTE, page 6

Wellness subscriptions can be a useful perk

Many employers are now offering health and wellness app subscriptions as a supplemental benefit to support employee well-being, reduce stress, and boost engagement. Unlike traditional health insurance, wellness apps are often low-cost, easy to implement, and give employees accessible tools for mindfulness, sleep, fitness, and mental health support — all from their smartphones.

Wellness apps can lower stress, improve sleep quality, and counter burnout. They can complement existing benefits like medical insurance or Employee Assistance Programs (EAPs), work for both remote and in-person employees, and send a message that mental health matters.

Employers commonly offer these through wellness stipends, group subscriptions, or third-party benefits platforms that bundle digital perks into one program. Many providers allow organizations to purchase bulk licenses at a reduced rate or include app access as part of a broader wellness suite.

Popular Wellness Apps Employers Are Offering

Calm (Calm for Business)

A top mindfulness and stress-management app offering guided meditations, breathing exercises, sleep stories, and more.

Headspace (Headspace for Work)

Focuses on meditation, mindfulness exercises, and stress reduction. Headspace also integrates with employee well-being platforms and provides a library of content covering stress, sleep, focus, and emotional resilience.

*Wellhub (*formerly *Gympass)*

A corporate wellness platform that gives employees access to a network of fitness and wellness apps and services, including mindfulness tools like Headspace and other health resources — often at reduced group rates.

Other Options to Consider

Insight Timer: A large library of free and premium meditation content.

HRMorning

Ten Percent Happier, Simple Habit, Breathwrk: Apps focused on meditation, breathwork, and quick mental health tools.

Best Practices for Employers

Promote usage actively — apps are only beneficial if employees know about and use them.

Blend with other supports — pairing apps with EAPs or wellness workshops increases value.

Be inclusive — choose tools with content accessible to diverse backgrounds and needs.

Wellness apps aren't a replacement for comprehensive healthcare or EAP services, but they are an increasingly popular, affordable addition to a benefits package.

Benefits: Stay compliant, cost-effectively

Continued from page 2

benefits can still significantly strengthen a benefits package.

Low-Cost, High-Impact Benefits for California Employers

Many effective benefits cost little or nothing but have a strong impact on employee satisfaction.

Examples include:

• Flexible scheduling or remote work, where feasible

• Additional PTO or floating holidays

• Employee Assistance Programs (EAPs) offering mental health and legal support

• Wellness initiatives, such as walking challenges or stress-management workshops

• Professional development and training opportunities

These benefits are especially valuable in California, where long commutes and work-life balance concerns are common.

Communicating Benefits Clearly and Transparently

In a state with complex labor laws, clear communication is critical.

Best practices include:

• Providing written benefit summaries in plain language

• Explaining which benefits are required by law and which are employer-provided

• Being transparent about healthcare costs and limitations

• Encouraging employees to ask questions and provide feedback

Even when benefits are modest, transparency builds trust.

California-Specific Resources for Small Businesses

Helpful resources include:

• Covered California for Small Business

• California Small Business Development Centers (SBDCs)

• Local chambers of commerce

• Insurance brokers specializing in California compliance

• Payroll and HR platforms familiar with California labor laws

These resources can help employers stay compliant while identifying cost-effective benefit options.

Commute: Wet seasons bring challenges

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• Yield to pedestrians at all times, even if they're not crossing in a marked area.

• Use mirrors and check blind spots before reversing.

4. Protect Yourself After Hours

For employees arriving before dawn or leaving after dark:

• Keep your keys or key fob ready before you reach your vehicle.

• Avoid walking while distracted—put your phone away and stay alert to your surroundings.

• Walk with a coworker if possible, or let security or a manager know if you'd like an escort to your car.

5. Report Hazards

Uneven pavement, poor lighting, or blocked lanes can lead to injuries or collisions. Report maintenance or lighting issues to management right away so they can be fixed before someone gets hurt.

Wet Commuting: Staying Safe in Darker, Slicker Conditions

Shorter days and colder temperatures bring new challenges to commuting and parking lot safety. Many accidents occur between November and February, when visibility drops and roads get slippery.

1. Adjust to Low Light Conditions

• Turn on headlights early, even during dusk or cloudy weather.

• Keep windshields, mirrors, and lights clean to reduce glare and improve vision.

• Dim your dashboard lights to reduce reflection on the windshield.

For pedestrians and cyclists:

• Use reflective clothing and carry a flashlight or blinking light.

• Avoid wearing dark clothing when walking or biking near traffic.

2. Drive for the Conditions, Not the Clock

Even a light rain or frost can make roads slick.

• Slow down and increase following distance.

• Avoid sudden braking or sharp turns.

• Give yourself extra time for your commute—speeding on wet roads rarely saves time.

• Be cautious near shaded areas, bridges, and overpasses, where ice forms first.

3. Prepare for Cold-Weather Car Issues

• Check your battery—cold weather weakens it.

• Keep washer fluid rated for freezing temperatures.

• Store an emergency kit with jumper cables, a flashlight, gloves, and a blanket.

• Keep your gas tank at least half full to prevent condensation and fuel line freeze.

4. Watch Your Step in the Parking Lot

Ice and moisture are the biggest winter hazards for pedestrians.

• Wear shoes with traction, even if you plan to change at work.

• Use handrails when available and keep one hand free to catch yourself if you slip.

• Walk slowly and take short steps on icy surfaces.

• Avoid carrying too much—keep one hand available for balance.

If your workplace provides snow or ice removal, report slick spots right away so maintenance crews can address them.

5. Visibility at Shift Changes

With shorter daylight hours, many employees arrive and leave in the dark. Ensure parking areas and pathways are well-lit, and remind staff not to park in unlit corners of the lot. Businesses can consider motion-activated lights or reflective paint to improve nighttime safety.

A Few Extra Tips for Every Season

• Carpooling: Reduces costs and traffic—but plan safe pickup/drop-off spots away from busy entrances.

• Weather Apps: Use reliable apps for real-time weather and road alerts.

• Emergency Contacts: Keep workplace and personal emergency contact information current, especially for employees who travel between job sites.

• Remote and Hybrid Workers: Remind telecommuters to drive safely on days they report to the office—occasional commuters can be more prone to distraction.

A safe workplace begins long before the first clock-in. By practicing awareness on the road and in parking areas, employees and managers can prevent injuries, reduce stress, and ensure everyone gets home safely at the end of the day.

SAFETY ... IT PAYS

Working safely in confined spaces

Confined space incidents are among the most deadly in the construction industry…and more than 60 per cent of fatalities are would-be rescuers. Understanding the hazards, following the correct procedures, and never cutting corners are the only reliable defenses.

What counts as a confined space?

A confined space is any place which is substantially enclosed and where there is a reasonably foreseeable risk of serious injury from hazardous substances or conditions—such as a lack of oxygen, toxic gases, flooding, or the ingress of free-flowing solids. Size is irrelevant; risk is what defines it. Common examples on construction sites include:

- Excavations and trenches deeper than 1.2 meters.

- Sewers, manholes, and drainage chambers.
- Storage tanks, silos, and vessels.
- Tunnels and pipework.
- Voids beneath floors and within structures.
- Ductwork and service shafts.

The hazards: invisible, fast-acting, and lethal

The hazards inside confined spaces are often impossible to detect without instruments. They can act within seconds and kill without warning.

- Oxygen deficiency: Normal air is 20.9% oxygen. Below 17%, cognitive function is impaired; below 6%, death can occur within minutes. Oxygen can be displaced by inert gases such as nitrogen, argon, or carbon dioxide.
- Oxygen enrichment: Above 23.5%, materials become highly flammable and fire risk dramatically increases.
- Toxic gases: Hydrogen sulphide, carbon monoxide, methane, and solvent vapours can accumulate rapidly to lethal concentrations.
- Flammable atmospheres: Methane, LPG vapours, and fuel residues can ignite from a single spark.
- Engulfment: Free-flowing solids such as grain, sand, or cement can engulf and suffocate within seconds.
- Physical hazards: Temperature extremes, drowning, falling objects, restricted movement, and difficulty of rescue.

The permit to work: no exceptions

Entry into any confined space that poses a reasonably foreseeable risk must be controlled by a formal Permit to Work. The permit ensures that the space

Please see SPACES, page 8

OSHA CORNER

Please visit the following address on the web to download helpful safety posters, guides and pamphlets for a safer workplace.

https://www.osha.gov/publications

State of California
CAL OSHA
Department of Industrial Relations

Spaces: Re-test after any break in work

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has been assessed by a competent person, that all hazards have been identified, and that appropriate controls are in place before anyone sets foot inside. It must confirm:

- Isolation, purging, ventilation, and cleaning have been completed.
- Atmospheric testing has been carried out and confirmed safe.
- Rescue procedures and equipment are in place.
- The number of entrants is controlled and entry and exit is logged.

The permit is time-limited and must be reissued if conditions change. If a valid permit is not in place, no one enters. There are no exceptions.

Atmospheric testing: before, during, and after

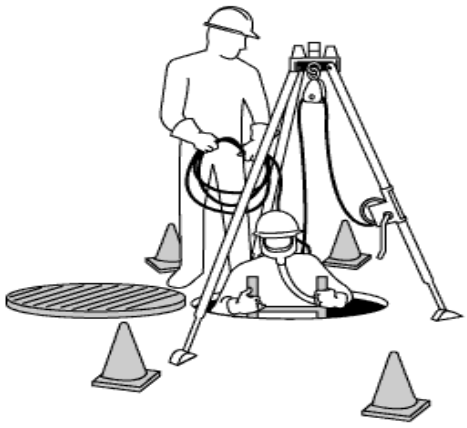
All confined spaces must be tested for atmospheric hazards before entry and continuously monitored throughout the work using calibrated, correctly maintained gas detection equipment operated by a competent person.

• Test at multiple levels — toxic gases can be heavier or lighter than air and stratify.

• Test from outside the space first — never lean in to take a reading.

• Monitor oxygen levels, flammable gases, carbon monoxide, and hydrogen sulphide as a minimum.

• If alarm levels are reached: stop work immediately, evacuate, and do not re-enter until the cause is identified and resolved.



• Re-test after any break in work, after rainfall or ground movement, and whenever conditions may have changed.

Isolation, ventilation, and purging

Before entry, the confined space must be physically isolated from all sources of hazard — particularly services that could introduce gases, liquids, or solids. Physical isolation, such as spade blanking or double block and bleed, is required; valve isolation alone is not sufficient for high-risk spaces. All mechanical and electrical equipment inside must be locked out and tagged out.

Ventilate the space naturally or mechanically before entry to purge hazardous atmospheres and maintain ventilation throughout. Use axial fans or blowers to direct fresh air into and through the space. Never use oxygen to improve the atmosphere — this creates a serious fire and explosion hazard.

Roles and responsibilities

A safe system of work requires clearly defined roles. All of the following must be in place before entry commences:

• Authorized Manager / Permit Issuer: A competent person who assesses the space, issues the permit, and retains overall control.

• Entrant(s): Trained workers authorized to enter. Must not enter until the permit is signed and all controls confirmed.

• Attendant (Standby Person): Stationed outside the entry point at all times. Monitors conditions, maintains communication with entrants, and initiates rescue if required. The attendant must never enter the space.

• Rescue Team: Trained and equipped personnel who are on-site and ready to respond before entry begins. In many situations this will require the fire and rescue service on standby.

Emergency and rescue planning

Rescue planning must be completed before anyone enters. It is not optional — it is a legal requirement. The plan must be site-specific and must address how an incapacitated worker will be retrieved without others entering the space (non-entry rescue using a retrieval line and harness), what emergency equipment is available at the entry point, how and when the emergency services will be called, and where the nearest first aid facilities are located. Regular drills must be held so all personnel know exactly what to do.

In an emergency: raise the alarm, keep others away from the space, and call emergency services immediately, telling them it is a confined space rescue. Do not attempt entry without full breathing apparatus and trained rescue personnel.

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