Employment and Housing

Most employment in the private sector is “at-will.” This means your employer can let you go or change the terms of your employment whenever they want, for whatever reason they want, other than a few reasons that are illegal (like certain forms of discrimination and retaliation). But that doesn’t mean you can’t try to negotiate for some protection in your contract. For example, you can seek a provision that clarifies that if you are let go for a reason that doesn’t amount to “good cause” (defined to include really bad behavior) or you need to resign for “good reason” (defined to include things like the employer diminishing your compensation or level of authority), you are entitled to a benefit such as a number of months of severance and/or accelerated vesting of your equity.

**Does your job offer require that you sign a non-compete agreement?**

If you are going to be employed in California, the employer is not allowed to restrain your future professional opportunities by requiring that you agree not to work for its competitors after you leave the job. The employer is also not allowed to make your employment contract governed by a different state’s substantive law as a means of avoiding California’s prohibition of non-competes.

**Does your salary match the salary of your co-workers?**

There are several ways you can try to verify this. First, you can ask your prospective employer for the pay scale for the position offered to you and the prospective employer is required to provide it to you after you’ve completed an initial interview. Second, you are allowed to share your compensation details with co-workers and ask them if they are willing to share such details with you. Remember to consider not just salary, but also other compensation elements like equity, bonuses, moving expenses or vacation time when evaluating whether your compensation package is fair.

**Assuming your employment is “at will,” can you negotiate for contractual protections?**

Most employment in the private sector is “at will.” This means your employer can let you go or change the terms of your employment whenever they want, for whatever reason they want, other than a few reasons that are illegal (like certain forms of discrimination and retaliation). But that doesn’t mean you can’t try to negotiate for some protection in your contract. For example, you can seek a provision that clarifies that if you are let go for a reason that doesn’t amount to “good cause” (defined to include really bad behavior) or you need to resign for “good reason” (defined to include things like the employer diminishing your compensation or level of authority), you are entitled to a benefit such as a number of months of severance and/or accelerated vesting of your equity.

**Have you properly excluded your individual inventions prior to accepting your job offer?**

Your employer may have you sign an agreement clarifying that any invention you develop while working for it becomes their property and/or that you are required to assign your rights to it. This does not apply to inventions you create before joining the employer. Usually, there is a place in the agreement to identify any such prior inventions and you should make sure you identify any such inventions and avoid using them or incorporating them in to work you do for the employer. Additionally, California limits the degree to which companies can require employees to assign their inventions, even those created during the period of time the employees are working for the company. An employer is generally prohibited from requiring an employee to assign it rights to inventions that are made by the employee outside of an employer’s field of business and that are not developed using company materials or on company time.

**Does your job offer require that you sign a forced arbitration agreement?**

An employer can’t require that you, as a condition of employment, agree to a non-disparagement clause or any other type of provision that purports to deny you the right to disclose information about unlawful acts in the workplace. Many employers require that employees sign arbitration agreements that waive the employee’s right to pursue claims in court or to pursue claims collectively or through class actions. In most cases, such agreements are allowable and you are unlikely to be able to negotiate around such an agreement if your prospective employer has a policy of utilizing them. However, some employers’ agreements have opt-out provisions which allow you to opt-out of the arbitration process. It is generally a good idea to do so if given the option. Additionally, some employers have elected not to force their employees to sign such agreements and whether a prospective employer requires that you sign an arbitration agreement can be one factor you consider when evaluating multiple job opportunities. Finally, employers are not allowed to require claims of sexual harassment or sexual assault be brought in arbitration. Those types of claims may be brought in court, either individually or as collective or class claims, regardless of the existence of an arbitration agreement.

Authors: Chaya Mandelbaum (Rudy, Exelrod, Zieff & Lowe, LLP), Kristin Smith (MIT Equal Pay Working Group)

This work is licensed under the Creative Commons Attribution-No Derivatives 4.0 International License. To view a copy of this license, visit http://creativecommons.org/licenses/by-nd/4.0/ or send a letter to Creative Commons, PO Box 1866, Mountain View, CA 94042, USA. Content is current as of March 2024. Additional resources can be found at www.dir.ca.gov/dlse/