**Commission Agreements To Be In Writing By 2013**

AB 1396 ([pdf](http://www.leginfo.ca.gov/pub/11-12/bill/asm/ab_1351-1400/ab_1396_bill_20111007_chaptered.pdf)) amends the Labor Code to require, by January 1, 2013, that when an employer enters into a contract of employment with an employee for services to be rendered within the State of California and the “contemplated method of payment” involves commissions, the contract must be in writing and must set forth the method by which the commissions are to be computed and paid. Here, the meaning of the term “commissions” is imported from Labor Code Section 204.1, which generally excludes short-term productivity bonuses and profit-sharing plans.