

# Can Workers in California Legally be Paid in Cryptocurrency?

LOS ANGELES, CA, UNITED STATES, June 4, 2021 /EINPresswire.com/ -- As the value of cryptocurrencies has exploded in 2021, many people are looking to get in on the craze. But as with many new business trends, the waters of the crypto world can be very tough to navigate. One area where these waters are particularly murky is in how most people get their currency.

Can workers in California legally be paid in cryptocurrency?

Both federal and state employment law do not specifically address cryptocurrency as a form of payment, which leaves the answer to that question open to interpretation. But two areas which could hold the key to that answer are A) whether cryptocurrency is actually currency, and crypto's notorious volatility.

Federal law allows employers to combine U.S. and foreign currency to be used as payment to employees, so long as payment is in a "negotiable instrument payable at par." California law prohibits payment in the form of coupons or other redeemable items, though it does not specifically mention cryptocurrency. So if cryptocurrency is found to have the same legal standing as foreign currency, that could help it qualify as currency.

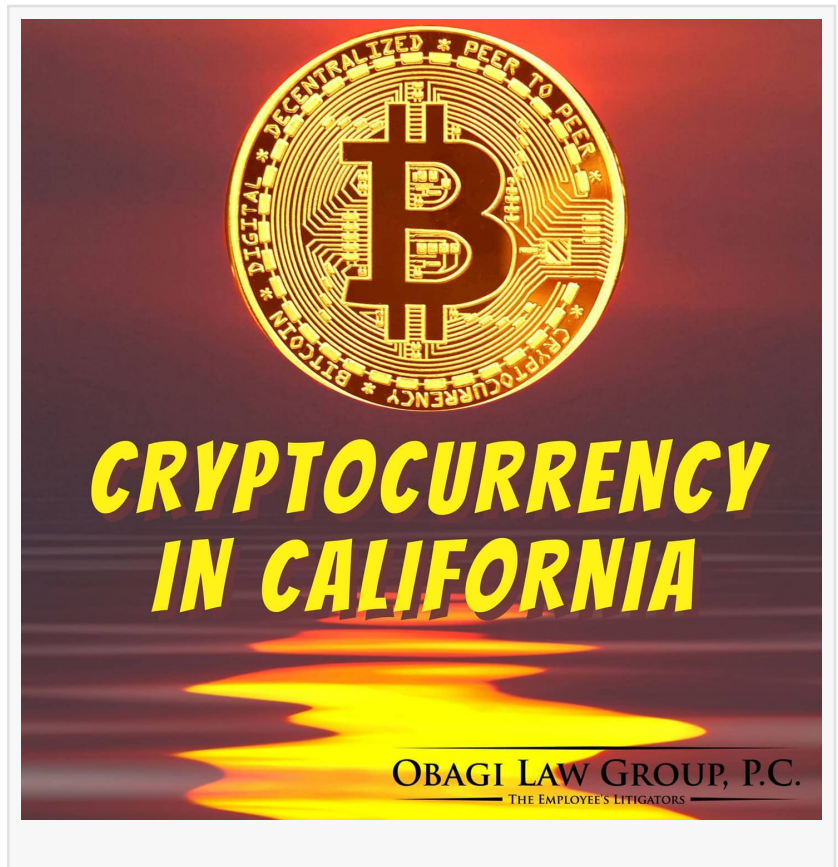


Zein Obagi Jr.

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In terms of cryptocurrency's well-documented volatility, two issues could be at play when it comes to determining its potential as payment for wages. First, if an employee is owed back pay, would they be paid the value of that cryptocurrency on the date the work was performed, or on the day the employee is paid? Second, if the cryptocurrency increases in value, is the employee now subject to capital gains taxes? And the issues of payroll reporting and tax withholdings for cryptocurrency are far from settled.

If you have been paid in cryptocurrency, or have questions about potentially being paid in cryptocurrency, you should seek counsel to discuss your options.



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[Zein E. Obagi Jr.](#)

With more than a decade of experience as a licensed attorney serving Californians, Zein E. Obagi, Jr. carries a reputation as a game-changing fierce advocate. He fights for employees who have fallen victim to hostile employers and for individuals who have lost assets to dishonest business partners. With his combination of experience, passion and willingness to bring the full power of the law to bear for his clients, Zein has built a firm that delivers on its credo to each of its clients. After working for a variety of firms in Los Angeles, including one of the largest and most prestigious in the city, Zein founded what is now [Obagi Law Group, P.C.](#) in 2012. In the years since, Zein has built a team of diverse, energetic and highly skilled attorneys who specialize in righting the wrongs of discrimination, unlawful retaliation, wrongful termination and other abuses in the workplace, as well as protecting clients' interests in the world of business in California. With Zein leading the way, the attorneys at Obagi Law Group treat each client as if he or she were the firm's only client, delivering time and again and attaining awards at times in the millions of dollars.

While Zein makes social justice and fighting for the little guy hallmarks of his practice, he also lives by the same values he has woven into the fabric of Obagi Law Group. For instance, being raised with six sisters and married to a successful physician, Zein understands that men and

women are equal in every way. He continues to advance this belief not only in his practice, but through his work with the Los Angeles County Bar Association (LACBA). In July 2020 the organization appointed Zein to the President's Advisory Committee on Women in the Legal Profession. Among Zein's other public-service endeavors are a trio of trips to the Katrina-ravaged Gulf Region to supply critical pro bono legal aid as part of the inaugural and two subsequent Legal Aid Alternative Breaks Projects; volunteer work with the Los Angeles 5 (LA5) Chapter of Rotary Club International, and two runs as a candidate for U.S. Congress in California's 33rd District.

A graduate of UC Berkeley (BA, political science) and the University of Southern California, Gould School of Law (JD), Zein enjoys admission to practice law throughout the State of California; the U.S. District Court for the Central, Southern, Eastern and Northern Districts of California; the Ninth Circuit Courts of Appeals; and the Supreme Court of the United States. Zein also serves as Co-Chair of Programs with the LACBA Small Firm Section, and in 2020 was appointed to another LACBA committee, the Judicial Appointments Committee, which responds to requests by the Governor to evaluate individuals under consideration for appointment to the Superior Court of California bench.

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