

Compliance Updates for Beginning of 2026

*** Please note this is not intended to be an exhaustive list of every new employment and labor law update. All updates are scheduled for January 1, 2026, unless otherwise stated. Also, if an employee is subject to more than one minimum wage standard such as federal, state, or local law, the highest applicable minimum wage must be paid.*

FEDERAL

One Big Beautiful Bill Act (OBBBA)

Beginning January 1, 2026, the One Big Beautiful Bill Act (OBBBA) introduces new requirements for how employers must track and report overtime and tips. All employers will be required to separately track two distinct types of overtime: FLSA Overtime, which includes hours worked over 40 in a workweek and is eligible for the federal tax benefit, and Non-FLSA Overtime, which includes daily overtime, double time, and any other state or local overtime rules that are not eligible. When reporting payroll to DecisionHR, clients will need to provide both FLSA Overtime and Non-FLSA Overtime hours so that payroll can be processed accurately and in compliance with OBBBA's reporting rules. Although these requirements begin in 2026, no changes or action items are required for 2025. However, if an employee needs assistance determining their total FLSA overtime for 2025 for their own tax-reporting purposes, clients may share the provided [employee FAQ](#), and payroll reports may be made available upon request.

Businesses with tipped employees must also ensure complete and accurate capture of all tip income—including cash and credit-card tips—properly assigning those amounts to the employees who earned them. OBBBA increases federal scrutiny on verifying that all employees, especially tipped workers, receive at least the highest applicable minimum wage, so employers should maintain clear documentation supporting their wage calculations.

Starting with the 2026 tax year, employers will also see changes in year-end wage reporting under OBBBA. Employee Forms W-2 will be required to include additional detail reflecting the total FLSA Overtime hours worked during the year, along with certain wage components linked to OBBBA's federal reporting categories. This expanded W-2 reporting is intended to support IRS compliance and employee eligibility verification for related federal benefits. DecisionHR will incorporate these new reporting elements into its year-end process, but employers must ensure that the overtime and tip data they provide throughout the year is complete and accurate to support proper W-2 preparation.

We recommend reviewing our prior compliance summary for a detailed explanation of these laws and their implications for your organization, [link here](#).

ARIZONA

Minimum Wage Updates

Arizona's minimum wage will increase to \$15.15/hour; the tipped wage will become \$12.15/hour. Poster links: ([English](#)) ([Spanish](#))

- Flagstaff \$18.35/hour for all workers, there is no longer a tipped wage. Poster links: ([English](#)) ([Spanish](#))

- Tucson \$15.45/hour; tipped wage \$12.45. Poster links: ([English](#)) ([Spanish](#))

CALIFORNIA

Minimum Wage Updates

California's state minimum wage will increase to \$16.90/hour for all employers; and the exempt salary threshold will increase to \$70,304/year (\$1,352/week); Computer software employees will increase to \$58.85/hour (\$122,573.13/year). [Poster link](#).

Additionally, many local minimum wage rates will increase.

- Belmont \$18.95/hour. Poster links: ([English](#)) ([Spanish](#))
- Burlingame \$17.86/hour. [Poster link](#)
- Cupertino \$18.70/hour. Posters not available yet, link to the page found [here](#).
- Daly City \$17.50/hour. Poster links: ([English](#)) ([Spanish](#)) ([Tagalog](#)) ([Chinese](#))
- East Palo Alto \$17.90/hour. ([Poster link](#))
- El Cerrito \$18.82/hour. Poster links: ([English](#)) ([Spanish](#)) ([Japanese](#)) ([Simplified Chinese](#)) ([Traditional Chinese](#))
- Foster City \$17.85/hour. [Poster link](#)
- Half Moon Bay \$17.91/hour. Poster links: ([English](#)) ([Spanish](#))
- Hayward \$16.90/hour for employers with 1-25 employees; \$17.79/hour for employers with 26 or more employees. Poster links: ([English](#)) ([Spanish](#)) ([Chinese](#))
- Los Altos \$18.70/hour. Poster links: ([English](#)) ([Spanish](#)) ([Chinese](#))
- Menlo Park \$17.55/hour. [Poster link](#)
- Mountain View \$19.70/hour. ([English](#)) ([Spanish](#)) ([Chinese](#))
- Novato \$16.90/hour for employers with 1-25 employees; \$17.46/hour for employers with 26-99 employees; \$17.73/hour for employers with 100 or more employees. ([Posters link](#))
- Oakland \$17.34/hour; Hotel Workers with health benefits \$18.85/hour; Hotel workers without health benefits \$25.14/hour. Poster links: ([English](#)) ([Spanish](#)) ([Chinese](#)) ([Vietnamese](#)) Hotel workers poster links: ([English](#)) ([Spanish](#)) ([Chinese](#)) ([Vietnamese](#))
- Palo Alto \$18.70/hour. Poster links: ([English](#)) ([Spanish](#))
- Petaluma \$18.31/hour. ([Posters link](#))
- Redwood City \$18.65/hour. Poster links: ([English](#)) ([Spanish](#)) ([Chinese](#))
- Richmond \$19.18/hour. Poster links: ([English](#)) ([Spanish](#))
- San Carlos \$17.75/hour. Poster links: ([English](#)) ([Spanish](#)) ([Chinese](#))
- San Diego \$17.75/hour. Poster links: ([English](#)) ([Spanish](#)) ([Chinese](#)) ([Vietnamese](#)) ([Tagalog](#))
- San Jose \$18.45/hour. Poster links: ([English](#)) ([Spanish](#)) ([Chinese](#)) ([Vietnamese](#)) ([Tagalog](#)) ([Hindi](#))
- San Mateo (city) \$18.60/hour. [Poster link](#)
- San Mateo (county - unincorporated areas) \$17.95/hour. [Poster link](#)
- Santa Clara \$18.70/hour. Poster links: ([English](#)) ([Spanish](#)) ([Chinese](#))
- Santa Rosa \$18.21/hour. [Posters link](#)
- Sonoma \$17.38/hour for employers with 1-25 employees; \$18.47/hour for employers with 26 or more employees. Poster links: ([English](#)) ([Spanish](#))
- South San Francisco \$18.15/hour. Poster links: ([English](#)) ([Spanish](#)) ([Traditional Chinese](#)) ([Tagalog](#))
- Sunnyvale \$19.50/hour. Poster links: ([English](#)) ([Spanish](#)) ([Chinese Simplified](#))
- West Hollywood \$20.25/hour. Poster links: ([English](#)) ([Spanish](#)) ([Russian](#))

COVID Recall and Reinstatement Extended

California has extended recall and reinstatement rights for hospitality and service industry workers affected by COVID-19. First created under SB 93 in 2021, the law requires covered employers, such as

hotels, private clubs, event centers, airport hospitality operations and service providers, and commercial property building services, to offer reemployment to workers laid off due to the pandemic. These requirements were previously set to expire on December 31, 2025, and are now extended for an additional year with a sunset date of January 1, 2027.

Employee Debt Repayment Unauthorized

Under SB 692, employers will be prohibited from including contract terms that require workers to repay the company (or anyone else) if the worker leaves their job. These repayment clauses will be considered illegal and unenforceable unless specifically allowed by another law. Workers who are asked to sign such terms will be able to sue individually or as a group, and employers may face civil penalties and other legal consequences for using these prohibited agreements.

Employee Personnel File Requirements Expanded

SB 513 will require employers to keep any employee training, education, or related grievance records in the employee's personnel file and to provide timely access and copies upon request—just like other personnel documents. Any training records an employer chooses to keep must list the employee's name, the training provider, the date and length of the training, the skills or topics covered, and any certification the employee earned.

Employee Training in Hospitality Industry

Restaurants will be required to create a written pest-control and food-safety plan under AB 592 and provide it to local health inspectors upon request. The plan must identify areas of the facility that may attract pests and outline steps to prevent and respond to infestations, such as proper waste handling and sanitation practices. Restaurants must also conduct regular inspections, track any pest activity, and document how effective their control measures are. In addition, employees must be trained at hire and every year on pest-prevention practices and their role in keeping the facility clean. All related records must be kept and made available to health officials when asked.

Equal Pay Expansion

SB 642 is expanding employer obligations around pay transparency and equal pay. Employers will be required to include a good-faith salary or hourly wage range in all job postings and must understand that "wages" now include all forms of compensation, such as bonuses, commissions, stock, benefits, and travel reimbursements. The law also strengthens equal pay standards by prohibiting paying employees of another sex less for substantially similar work and extends the time to file claims to three years, allowing employees to recover up to six years of back pay. Because employees may also challenge long-term pay disparities that are part of an ongoing pattern, employers should review compensation practices now, ensure pay differences are based on legitimate, documented factors, and maintain compensation records for at least six years.

New Requirements for Employee Garnishments

AB 774 updates the Wage Garnishment Law and will require employers to include additional details in their employer's return when an earnings withholding order is served. In addition to existing information, employers must now report: the date they gave the employee (judgment debtor) the withholding order and notice, the name and title of the person who delivered them, and a brief description of how the documents were provided.

Los Angeles Hotel Worker Training

As of December 1, 2025, the Los Angeles Hotel Worker Training Ordinance took effect for hotel employers with 60 or more guest rooms. Employers covered by the ordinance must contract with a certified Public Housekeeping Training Organization (PHTO) to provide at least 5.5 hours of training to room attendants on a variety of topics. Employers are responsible for all training costs, including paying

employees for their time spent in training. The total training time reflects a 30-minute reduction due to the removal of the human trafficking component from the required curriculum.

Pay Data Reporting Requirements Expanded

California has expanded its pay data reporting rules for employers with 100 or more employees. Beginning in 2026, employers must keep all demographic pay data separate from personnel files and can face automatic civil penalties if they fail to submit required reports when requested by the Civil Rights Department. Penalties remain up to \$100 per employee for a first violation and \$200 per employee for additional violations. Starting with the 2027 reporting cycle, employers must also report employee data using 23 new job categories, replacing the old EEO-1 categories. Employers should begin updating their recordkeeping and job classifications now to prepare for these expanded requirements.

New Employee Notice Requirement

California's SB 294, known as the Workplace Know Your Rights Act, introduces a new employee notice requirement that all employers must follow starting February 1, 2026. Under this law, employers must provide every employee—both current and new hires—with a stand-alone written notice outlining key labor and civil rights under state and federal law. The California Labor Commissioner will issue an official template by January 1, 2026 that employers can use to comply. Employers must also give employees the opportunity to designate an emergency contact by March 30, 2026, and if an employee is arrested or detained on the job, the employer must make a reasonable effort to notify that contact. Employers should keep records showing that the notices were provided for at least three years. Failure to comply can result in civil penalties enforced by the Labor Commissioner or other authorities.

New Cal WARN Notice Requirements

California is expanding the Cal-WARN Act notice rules for employers with 75 or more employees. Employers must still give 60 days' written notice before a mass layoff, relocation, or termination, but the notice must now include additional details. Employers must state whether they will coordinate transition services—such as rapid-response assistance—with the local workforce development board or another provider, or state that no services will be offered. Notices must also include contact information for both the employer and the workforce board, a description of available rapid-response services, and required information about the CalFresh food assistance program, including its hotline and website. If an employer chooses to coordinate services, they must be arranged within 30 days of the notice. Employers should update their Cal-WARN templates now to ensure full compliance by the effective date.

Paid Sick Leave Expanded

California's AB 406, signed into law and taking effect beginning October 1, 2025, and expanding further on January 1, 2026, broadens employer obligations around paid and unpaid leave for employees affected by crime and legal proceedings. Under AB 406, employees can now use paid sick leave for jury duty and when subpoenaed as a witness, and beginning January 1, 2026, employers must also allow employees (or their family members) who are victims of certain serious crimes to take protected time off to attend related judicial proceedings without fear of retaliation or discrimination. Employers should update leave policies and handbooks to reflect these changes, train HR and managers on the expanded leave uses and notice requirements, ensure proper documentation procedures are in place, and distribute any updated Civil Rights Department workplace notices as required. AB 406 also impacts how overlapping leave laws apply and may require updates to HR systems to track the new leave categories.

Transparency in Frontier Artificial Intelligence Act (TFAIA)

SB 53 is a new California law that requires companies building very advanced AI systems to be transparent about the risks their technology could pose and how they manage those risks. Developers will be required to publish safety frameworks, release public reports explaining what their AI can do, how it should be used, and how they test for dangers, and report serious safety incidents to the state. Larger AI companies will have additional duties, including running regular risk assessments, securing their model

information, allowing anonymous whistleblower reports, and updating their safety plans every year. Whistleblowers will be protected from retaliation, and violations can result in fines up to \$1 million per incident. The law is expected to evolve as AI technology advances, and even companies not currently covered should monitor their growth and be prepared to comply if they cross the thresholds in the future.

COLORADO

Minimum Wage Update

Colorado's minimum wage will increase to \$15.16/hour; tipped wage \$12.14/hour; executive/supervisor, administrative, or professional employees ("EAP") salary threshold \$1,111.23/week (\$56,485 per year). Posters not available yet, link to the page found [here](#).

- Boulder City \$16.82/hour; tipped wage \$13.80/hour.
- Boulder County (unincorporated areas): \$16.82/hour; tipped wage \$13.80/hour.
- Denver City/County: \$19.29/hour; tipped wage \$16.27/hour. [Poster link](#)
- Edgewater City: \$18.17/hour; tipped wage \$15.15/hour.

Family and Medical Leave Insurance (FAMLI) Amendment

Colorado has amended its paid FAMLI program to expand employee benefits and adjust premium requirements. Under the updated law, employees who have a child receiving care in a neonatal intensive care unit (NICU) may be eligible for up to an additional 12 weeks of paid FAMLI leave, on top of the standard 12 weeks of paid family leave—allowing eligible parents to take up to 24 weeks of paid leave in these circumstances. The FAMLI premium rate will also decrease slightly from 0.90% to 0.88% of wages per employee in 2026, with future premium rates set annually by the FAMLI Division but capped at a maximum of 1.2% per employee.

CONNECTICUT

Minimum Wage Update

Connecticut's minimum wage will increase to \$16.94/hour. Posters not available yet, link to the page found [here](#).

Paid Sick Leave Amended

Connecticut has expanded its Paid Sick Leave law, and most employers are now required—or will soon be required—to provide paid sick time even if they were previously exempt. The law is phasing in coverage based on employer size: employers with 25 or more Connecticut employees became covered on January 1, 2025; employers with 11 or more employees will be covered on January 1, 2026; and all employers with at least one employee will be covered starting January 1, 2027. The amended law covers all employees working in Connecticut—including full-time, part-time, exempt, and non-exempt workers—except for seasonal employees. Employees begin accruing paid sick time at a rate of one hour for every 30 hours worked (up to 40 hours per year), and they may begin using that time after 120 days of employment. Employers may also choose to frontload 40 hours at the start of the year, and employees may carry over up to 40 unused hours annually.

Paid sick leave may be used for the employee's own illness, injury, preventive care, or mental health needs; to care for a family member (now broadly defined to include spouses, children, parents, siblings, grandparents, and others related by blood or affinity); for school or daycare closures related to public health emergencies; or for issues related to family violence or sexual assault.

Employers must provide employees with written notice of their rights (upon hire or upon becoming a covered employer), display the required state workplace posting, track and document paid sick leave accrual and usage for at least three years, and show this information on payroll records. Employers may not require employees to provide documentation for using paid sick leave or require them to find coverage for missed shifts.

DELAWARE

Family and Medical Leave Program Changes

HB 128 updated the state's Paid Family & Medical Leave (PFML) program before benefits begin on January 1, 2026. The state also released amended PFML regulations on December 1, 2025. Delaware PFML and FMLA must run at the same time when both apply, so employees cannot stack the two programs. Employers may require PFML benefits to coordinate with disability or employer-provided leave plans if they give proper written notice, and disability benefits may be reduced by PFML payments. Employers cannot require employees to use their accrued PTO first, although employees may choose to "top off" PFML with paid time off if both sides agree. Delaware PFML is also now clearly the primary payor, and all other income replacement benefits must coordinate around it.

Employers can still satisfy the law using an approved private plan, but the application process now accepts rolling effective dates (Jan. 1, Apr. 1, Jul. 1, or Oct. 1). Private-plan employers no longer need to send claim documents to the state unless it's for an appeal, audit, complaint, or a specific inquiry. Employers with fewer than 25 employees who voluntarily offer optional PFML coverage must comply with all program rules just like larger employers.

The amended regulations also update the "application year": instead of using FMLA-style measurement periods, Delaware will use a forward-looking 12-month period starting when an employee first uses PFML leave. This creates a new leave-tracking period for employers who do not already use this method under FMLA. Covered individuals now qualify if they earn at least 60% of their wages in Delaware each quarter. Employers with 10–24 employees who choose to offer voluntary PFML benefits beyond required parental leave must fully pay for those extra benefits and cannot require employee contributions. The amended rules also give new guidance for self-insured employers on reserve accounts and adjust the information the state collects for program administration.

HAWAII

Minimum Wage Update

Hawaii's minimum wage will increase to \$16.00/hour; tipped wage \$14.75/hour. [Poster link](#)

ILLINOIS

Blood and Organ Donation Leave Amendment

HB 1616 has amended the Employee Blood and Organ Donation Leave Act, which covers employers with 51 or more employees. The main change is that part-time employees will become eligible for up to 10 days of organ donation leave, just like full-time employees. Part-time workers must be paid for this leave based on their average daily pay over the past two months. The rules for blood donation leave remain the same— employees may take up to one hour every 56 days with prior employer approval. Full-time pay requirements for organ donation leave remain unclear, and additional guidance may be issued by the state.

Expansion of Paid Breaks for Nursing Mothers

Illinois has amended its Nursing Mothers in the Workplace Act, and employers must follow stricter requirements for lactation breaks. Employers will be required provide at least 30 minutes of paid break time each time an employee needs to express breast milk during the first year after childbirth. This replaces the prior standard of “reasonable” break time. Employees may also use any other paid breaks or meal periods if they need more than the 30 minutes provided. Employers must give this paid time unless it would cause an undue hardship, which is a high standard and difficult for employers to meet. A private, non-bathroom space must still be provided for pumping.

Illinois Human Rights Act (IHRA) Expanded to Address Artificial Intelligence (AI)

The Illinois Human Rights Act (IHRA) was amended by HB 3773 to expressly prohibit employers from using artificial intelligence (AI) in ways that result in discrimination against individuals in protected classes. The amended law bars Illinois employers from deploying AI systems that have a discriminatory effect in any aspect of the employment relationship, including recruitment, hiring, promotion, renewal of employment, training or apprenticeship selection, discharge, discipline, tenure decisions, or any terms, privileges, or conditions of employment.

Employers are required to provide notice to both employees and applicants whenever AI is used in any of the covered employment processes; and must also post this notice in the location where labor posters are typically displayed. The Illinois Department of Human Rights will issue rules detailing the timing and method for providing such notice and will make the required notice available on its [Required Posters & Disclosures](#) page.

Illinois Human Rights Act – Procedural Changes and New Penalties

The Illinois Department of Human Rights (IDHR) will no longer be required to hold fact-finding conferences during investigations. These conferences will now be optional. Either party may request a conference within 90 days of the Charge being filed, unless the IDHR issues its report earlier. The Department may still choose to conduct a fact-finding conference at its discretion, provided it gives reasonable notice to both sides. In addition to existing remedies such as actual damages, back pay, reinstatement or promotion, and attorney’s fees and costs, the IHRA now authorizes a separate civil penalty intended to “vindicate the public interest.” Penalties may be up to \$16,000 for a first violation, \$42,500 for one prior violation within the past five years, and \$70,000 for two or more prior violations within the past seven years.

Stricter Protections During Employment Authorization and Identity Verification

Illinois has enacted SB 2339, a law that took effect immediately on December 12, 2025, expanding protections for workers during employment authorization and identity-verification processes. Employers may not use stricter verification rules than federal law allows and cannot suspend, fire, or otherwise penalize an employee solely because of a federal “no-match” letter, agency notice, or third-party report showing an ID discrepancy. If an employer receives a discrepancy notice, they must notify the employee in writing within five business days—ideally in person; otherwise by both mail and email. The notice must explain the issue, give the employee time to respond, and outline next steps. The law also expands enforcement, allowing employees, applicants, unions, and certain nonprofits to bring claims. Penalties range from \$100 to \$1,000 per violation, with possible reinstatement, back pay, and up to \$10,000 in damages for job loss. Repeat violations carry higher fines, though employers are protected if they acted in good faith or made an honest administrative mistake that did not affect pay or job status.

Victims’ Economic Security and Safety Act Amendment

Illinois has amended the Victims’ Economic Security and Safety Act (VESSA), strengthening protections for employees affected by domestic violence, sexual violence, gender violence, or stalking. Under the

amendments, employees will have broader rights to take job-protected leave for reasons such as seeking medical care, obtaining counseling, getting legal help, securing safe housing, or participating in safety planning. The changes also expand the types of documentation employees can provide to verify the need for leave, including statements from advocates, social workers, counselors, or other professionals supporting the employee. The amended law also clarifies that employers must provide reasonable workplace safety accommodations, such as schedule changes, modified work locations, or other adjustments needed to help keep the employee safe while working. Employers cannot retaliate against employees for requesting leave or safety accommodations.

Workplace Transparency Act Amendment

HB 3638 has amended the Workplace Transparency Act. The amended law places new limits on nondisclosure and no disparagement provisions in employment, separation, and settlement agreements. Employers may still use confidentiality provisions, but only if they are truly voluntary, written in clear language, and give employees the right to review and revoke the agreement within required timeframes. Employees cannot be prevented from reporting concerns to government agencies or from discussing unlawful conduct in the workplace. The amendments also reinforce that employers cannot require confidentiality about sexual harassment or discrimination claims unless the employee specifically wants it. Even then, the employee must have 21 days to consider the agreement and 7 days to revoke it after signing.

MAINE

Minimum Wage Update

Maine's minimum wage will increase to \$15.10/hour; and the tipped wage will be \$7.55/hour. The exempt salary threshold will rise to \$871.16/week or \$45,300.32/year. Poster links: ([English](#)) ([Spanish](#)) ([Arabic](#)) ([Chinese](#)) ([French](#)) ([Portuguese](#)) ([Somali](#))

- Portland \$16.75/hour; tipped wage \$8.38/hour. Poster links: ([English](#)) ([Spanish](#))
- Rockland \$16.00/hour; tipped wage \$8.00/hour.

Minimum Wage and Overtime Expansion for Agricultural Workers

Maine has passed a new law that expands minimum wage and overtime protections to many agricultural workers who were previously exempt. Under the new law, most agricultural employees will need to be paid at least Maine's minimum wage for all hours worked. In addition, many agricultural workers will be eligible for overtime pay at 1.5 times their regular rate for hours worked over 40 in a week. Some limited exceptions still apply, such as for certain small farms and specific types of seasonal or hand-harvest labor, but most standard agricultural roles are now covered. The law also will require employers to maintain accurate time and pay records for agricultural employees and to ensure that any housing or transportation provided as part of the job meets state standards.

Paid Family and Medical Leave Benefits Begin

Beginning May 1, 2026, eligible employees may take advantage of Maine's Paid Family and Medical Leave (PFML) program, which offers up to 12 weeks of paid leave within a benefit year for qualifying family or medical reasons. Employees may use PFML to care for their own serious health condition, to bond with a child after birth, adoption, or foster placement, to care for a family member with a serious health condition, to prepare for a family member's military deployment, or to seek safety related to domestic violence, sexual assault, stalking, or other abuse. Employees must provide employers with advance notice of the need for leave when the need is foreseeable, typically at least 30 days' notice, or as soon as practicable when unforeseeable. Employers must also comply with [PFML posting](#) and written notice requirements to ensure employees are informed of their rights and responsibilities under the program.

MARYLAND

Minimum Wage Update

- Howard County \$15.50/hour (1-14 employees); no change for employers with more than 14 employees. Poster links: ([English](#)) ([Spanish](#))

MICHIGAN

Minimum Wage Update

Michigan's minimum wage will increase to \$13.73/hour; for minors aged 16 & 17 minimum wage will increase to \$11.67/hour; and the tipped wage will be \$5.49/hour. Poster links: ([English](#)) ([Spanish](#)) ([Arabic](#))

MINNESOTA

Minimum Wage Update

Minnesota's minimum wage will increase to \$11.41/hour; the training wage for employees under 20 years of age will increase to \$9.31/hour. Poster links made be found on the State's [workplace notices and posters page](#).

- Minneapolis \$16.37/hour
- St. Paul \$16.37/hour for macro and large businesses (101+ employees)

Meal and Rest Break Amendment

Minnesota passed a 2025 omnibus bill that makes major changes to the state's meal and rest break rules. Starting January 1, 2026, employers must provide:

- A paid rest break of at least 15 minutes—or longer if needed to use the nearest convenient restroom—for every 4 consecutive hours worked.
- A meal break of at least 30 minutes for employees who work 6 or more consecutive hours. Meal breaks must be duty-free unless the nature of the work makes that impossible.

Employees must be allowed to use rest break time as they choose, including for eating, drinking, or restroom use. Breaks cannot be skipped, combined, or delayed in a way that prevents employees from receiving the required time off.

Employers that fail to provide these breaks will owe employees their regular rate of pay for the missed break time, plus an equal amount in liquidated damages (effectively double the wages owed).

Family and Medical Benefit Insurance Program Rollout

Minnesota is launching a new state-run Paid Family & Medical Leave (PFML) insurance program that will provide partially paid, job-protected leave for workers starting January 1, 2026. The program is run by the Minnesota Department of Employment and Economic Development (DEED) and functions like unemployment insurance.

The PFML program is funded through payroll premiums. The standard premium rate is 0.88% of employee taxable wages, typically split 50/50 between the employer and employee unless the employer chooses to pay more. Payroll deductions and employer contributions begin January 1, 2026. Although employee PFML benefits also start on January 1, the state's insurance system will not be fully operational for administrative purposes until April 30, 2026.

DEED will review claims, determine eligibility, and pay benefits directly to employees. PFML covers medical leave, bonding leave, family caregiving, and certain military-related needs. Employers can either participate in the state-run PFML program or apply for an approved private equivalent plan that meets or exceeds state standards.

Employers must provide two forms of notice before payroll deductions begin:

- Workplace Posting: A state-issued [PFML poster](#) must be displayed at worksites or provided electronically to remote workers.
- Individual Employee Notice: Each employee must receive [written notice](#) (paper or electronic) explaining their PFML rights, payroll deductions, benefit availability, job protections, and instructions for filing a claim.

Minnesota has a designated Paid Leave site for employers that includes helpful information and an employer toolkit that includes the notices, [link here to that page](#).

MISSOURI

Minimum Wage Update

Missouri's minimum wage will increase to \$15.00/hour; and the tipped wage will be \$7.50/hour. Poster links: ([English](#)) ([Spanish](#))

MONTANA

Minimum Wage Update

Montana's minimum wage will increase to \$10.85/hour. Poster links: ([English](#)) ([Spanish](#))

Ban on Non-Competes for Licensed Physicians

Montana has enacted a new law that prohibits non-compete clauses in employment contracts for licensed physicians. Employers will no longer be permitted to include post-employment restrictions that prevent a physician from practicing medicine, providing services, treating or consulting with current patients, forming new provider-patient relationships, or soliciting patients after leaving employment. Any such restrictions are void and unenforceable. The law references other licensed professions under Title 37 for definitional purposes, but the non-compete ban will apply specifically to physicians. Employers may still use confidentiality and certain non-solicitation provisions, but only those that do not restrict a physician's ability to practice or serve patients.

NEBRASKA

Minimum Wage Update

Nebraska's minimum wage will increase to \$15.00/hour; the tipped will remain \$2.13/hour. Poster links: ([English](#)) ([Spanish](#))

NEW HAMPSHIRE

Leave for Childbirth or Postpartum Care

New Hampshire has enacted a new law requiring employers with 20 or more employees to provide up

to 25 hours of unpaid leave per year for childbirth-related or postpartum medical appointments, or for a child's pediatric appointments, during the first year after birth or adoption. Employees will be permitted use this leave for their own childbirth or postpartum care or for their child's medical visits. If both parents work for the same employer, they may be required to share the 25-hour allotment. The leave is unpaid, but employees may choose to use accrued paid leave. Employers will be required to reinstate employees to their original job upon return. Employees will be required to provide reasonable advance notice and make efforts to schedule appointments in a way that minimizes disruption to business operations. Employers may request documentation confirming the need for leave.

Military Spouse Leave

New Hampshire has enacted a new law requiring employers with 50 or more employees at a single location to provide job protections and unpaid leave to employees whose spouses are involuntarily mobilized for military service.

Starting January 1, 2026, employers may not take any adverse action—such as firing, disciplining, or denying promotions—because an employee's spouse has been called to active duty. Eligible employees are entitled to unpaid, job-protected leave for the duration of the spouse's mobilization. Their reemployment rights mirror federal USERRA, meaning they must be returned to the same or an equivalent position unless reemployment is impossible or unreasonable. Employees must notify their employer within 30 days of receiving the mobilization notice. Employers must then provide a written acknowledgment of the notice. When the mobilization ends, employees must promptly return to work or apply for reinstatement to maintain their job-protection rights.

NEW JERSEY

Minimum Wage Update

New Jersey's minimum wage will increase to \$15.92/hour, and \$15.23/hour for employers with fewer than 6 employees. The tipped wage will be \$6.05/hour. [Poster link](#)

Captive Audience Law Amendment

New Jersey's captive audience law was amended and as of December 2, 2025, prohibiting employers from requiring employees to attend meetings or receive communications related to political matters, including electioneering or decisions about joining or supporting political, civic, or labor groups. The bill still allows employers to hold voluntary meetings so long as employees are told they may decline without penalty, and it clarifies that certain communications are not restricted. Although the State has not yet published a template, Employers must post a notice informing employees of these rights in a prominent workplace location. Here is a [Sample Employee Notice](#) that may be used until one is published by the State.

NEW MEXICO

Minimum Wage Update

Las Cruces minimum wage will increase to \$13.01/hour; tipped wage will be \$5.20/hour. Posters links: [\(English\)](#) [\(Spanish\)](#)

NEW YORK

Minimum Wage Update

- New York State’s minimum wage will increase to \$16.00/hour and \$17.00/hour for NYC, Westchester County, and Long Island.
- The Home Care Aide rate will increase to \$18.65/hour; \$19.65/hour for NYC, Westchester County, and Long Island.
- The tipped service worker rate will increase to \$13.30/hour for New York State; and \$14.15/hour for NYC, Westchester County, and Long Island.
- The tipped food service worker rate will increase to \$10.70/hour for New York State; and \$11.35/hour for NYC, Westchester County, and Long Island.
- The upstate exempt salary threshold will increase to \$1,199.10/week or \$62,353.20/year; while downstate (NYC, Westchester County, and Long Island) will increase to \$1,275/week or \$66,300/year. These apply to the executive and administrative exemptions under New York Labor Law.

New York provides a wide range of industry-specific wage notices and posters in various languages; link [here](#). Also, here is a [link](#) to the NY Minimum Wage Lookup tool.

Healthy Terminals Act Amendment

New York has amended its Healthy Terminals Act (HTA) as part of the 2025–26 state budget, with significant changes taking effect January 1, 2026. The updated law raises wage, benefit, and leave standards for employers operating at JFK and LaGuardia. The definition of a “covered airport worker” is expanded to include any employee who works at least half of their weekly hours at either airport, regardless of role. Under the revised law, employers must now follow the federal Service Contract Act (SCA) to determine required wage rates and fringe benefits, and they must provide paid vacation based on tenure, ranging from two to five weeks depending on years of service. Covered workers must also receive at least 12 paid holidays per year, although employers may substitute holidays if those changes are clearly communicated in a formal holiday plan. These amendments align New York’s HTA closely with New Jersey’s version.

New York City Earned Safe and Sick Time Act (ESSTA) Amendment

New York City has passed major updates to its Earned Safe and Sick Time Act (ESSTA), and employers with NYC-based employees must comply by February 22, 2026. Under the amendments, employees must begin earning safe and sick leave immediately upon hire, and employers must give workers a written notice explaining how leave is earned, how much they have, and the company’s full leave policy. Employers must also keep detailed leave records for three years and provide employees with their current balance upon request.

Employers cannot require a doctor’s note or other documentation for absences of three days or less, and they may not retaliate against employees for using or requesting leave.

Secure Choice Savings Program Rollout

New York is rolling out its Secure Choice Retirement Savings Program, which requires certain employers to help employees save for retirement beginning in 2026. Any employer with 10 or more New York employees, in business for at least two years, and not already offering a retirement plan (such as a 401(k) or SIMPLE IRA) must participate. Covered employers will need to register with the program when notified by the state, upload their employee information, and set up payroll to automatically enroll workers in a state-run Roth IRA, unless employees choose to opt out. Employers do not contribute to the program and have no fiduciary responsibilities—they simply facilitate payroll deductions. Registration deadlines begin in early 2026 and vary based on employer size.

Important Registration Deadlines:

- Employers with 30+ employees: March 18, 2026

- Employers with 15–29 employees: May 15, 2026
- Employers with 10–14 employees: July 15, 2026

Temporary Schedule Change Act (TSCA) Amendment

New York City has amended its Temporary Schedule Change Act (TSCA), and the changes take effect February 22, 2026, the same day the updated Earned Safe and Sick Time Act (ESSTA) goes into effect. The amendments significantly reduce the obligations employers previously had under the TSCA. Because the updated ESSTA now allows employees to use paid safe and sick time for many personal events, the TSCA no longer requires employers to automatically provide two schedule changes per year. Instead, employers must simply:

- Respond to employee schedule change requests as soon as practicable, and
- Avoid any form of retaliation when employees make such requests.

While employers are no longer required to grant specific schedule changes under the TSCA, they must still consider requests in good faith and ensure that employees are not penalized for asking.

NEVADA

Air Quality Safety Law

Nevada has passed SB 260, requiring the Division of Industrial Relations to issue new wildfire-smoke safety rules by January 1, 2026. Once these rules take effect, employers with more than 10 employees and outdoor workers must monitor local air quality and protect employees when wildfire smoke reaches unhealthy levels.

When the Air Quality Index (AQI) hits 150 or higher, employers will be required to take steps to reduce workers' exposure, which may include adjusting outdoor work, providing respirators, or relocating tasks indoors. At more severe AQI levels, employers may be prohibited from allowing certain outdoor work unless exposure can be minimized. Employers must also have a communication system to notify workers when air quality is poor and allow employees to report symptoms like breathing difficulties without fear of retaliation. The state will also establish training requirements, so employees understand wildfire smoke risks and employer responsibilities. The law does not apply to mines, commercial truck drivers, emergency service providers, or employers with 10 or fewer employees.

OHIO

Minimum Wage Update

Ohio's minimum wage will increase to \$11.00/hour; the tipped wage will be \$5.50/hour. [Poster link](#)

Columbus – Pay Transparency

Columbus has passed a new pay transparency ordinance that took effect December 3, 2025, with enforcement beginning January 1, 2027. The law applies to employers with 15 or more employees in the city and requires them to include a clear salary range or pay scale in any job posting for a position that will be performed in Columbus. The posted pay range must reflect what the employer *in good faith* believes it will pay for the job. Employers must also include information about benefits or other forms of compensation if offered. These requirements apply to all forms of job advertisements, including online postings, printed ads, and internal job boards. The ordinance also reinforces existing restrictions on asking applicants about their salary history. Employers should begin reviewing and updating job

postings and hiring processes now, well before enforcement begins, to ensure compliance by the 2027 deadline.

OREGON

Expansion of Wage Transparency

SB 906 expands wage-transparency requirements by requiring employers to give all new hires a written explanation of all earnings and deductions that may appear on pay statements. This explanation must include information on pay periods, types of pay rates, benefit deductions and contributions, all possible deductions, their purposes, any minimum wage allowances, employer-provided benefits, and all payroll codes with definitions. Employers may provide this information electronically or through another easily accessible format; and must review and update it annually by January 1. The Bureau of Labor and Industries (BOLI) developed a templet in [English](#) and [Spanish](#) (other languages available upon request) that employers may use to meet these requirements. The bill also authorizes civil penalties of up to \$500 for violations of the new disclosure requirements

Paid Sick Leave to Cover Blood Donation

Senate Bill 1108 has amended Oregon's paid sick leave law to permit employees in Oregon to use their accrued paid sick leave to donate blood without losing pay or other benefits. Under SB 1108, employers will be required to allow employees to take up to four hours of blood donation leave per calendar year when the donation is made through a voluntary program approved by the American Red Cross or the American Association of Blood Banks.

This time off is in addition to other earned sick leave uses and must be paid in accordance with Oregon's existing sick leave law. Employers will be able to require reasonable notice (such as up to 14 days) and may request verification of the appointment or completion of the donation, but documentation requirements must not unduly burden the employee. Employees will be protected from retaliation for requesting or taking blood donation leave.

Unemployment Benefits Expanded to Striking and Locked-Out Workers

Oregon will allow both striking and locked-out workers to qualify for unemployment insurance (UI) benefits as long as they meet all standard eligibility requirements. This is a major change for employers involved in labor disputes. For striking workers, benefits will not begin right away. The law requires a two-week delay before payments start — one week of disqualification plus the standard one-week waiting period. In addition, striking workers can receive UI benefits for no more than 10 weeks during a strike.

If workers later receive back pay from the employer as part of a settlement or resolution of the labor dispute, they must repay any UI benefits they collected for the same period. Locked-out workers do not face the same 10-week cap and may qualify for benefits under normal UI rules.

Wage Theft Liability for Construction Industry

Oregon's SB 426 creates new wage-liability rules for construction projects. Under the law, property owners and direct contractors could be held jointly responsible for unpaid wages and fringe benefits owed to construction workers employed by subcontractors—even if the owner or contractor already paid the subcontractor. Workers or the state may bring claims for unpaid wages, and employers will receive written notice and 21 days to correct a violation before a lawsuit can proceed. Subcontractors will be required to provide payroll records on request, and contract terms attempting to waive this liability will not be enforceable. The law does not apply to work on an owner's primary residence or small projects with five or fewer units.

Workplace Violence Prevention for Healthcare Employees

SB 537 creates new workplace violence prevention requirements for health care employers, including hospitals, home health agencies, and hospice providers. Covered employers will be required to have a workplace violence prevention and response plan based on a safety assessment of their worksite. The plan must include clear procedures for preventing, reporting, and responding to violent incidents. Employers must also provide annual workplace violence training to employees, investigate incidents, offer support to affected workers, and give all employees a written copy of the prevention plan (new hires must receive it within 30 days). Additional requirements will include limiting last names on ID badges (with some exceptions) and using flagging systems to identify individuals who may pose safety risks.

PENNSYLVANIA

Crown Act Amendment

HB 439 has expanded the State's anti-discrimination law to ban discrimination based on hair texture or protective hairstyles associated with race, such as braids, locs, and twists. The law also protects religious hairstyles and head coverings. Employers will not be permitted to make employment decisions—such as hiring, discipline, or termination—based on these protected hairstyles. Legitimate safety-related grooming rules are still allowed, but they must be applied fairly and consistently.

Philadelphia Ban the Box Amendment

Philadelphia has amended its Fair Criminal Records Screening Standards Ordinance (FCRSSO), and employers hiring in the city must follow new rules starting January 6, 2026. Under the updated law, employers may not use expunged, sealed, or pardoned records when making hiring decisions. If an employer states in a job posting or during the hiring process that a background check will be conducted, they must also explain that any criminal history found will be reviewed through an individualized assessment, not an automatic disqualification. If an applicant is rejected because of their criminal history, the employer must give written notice and allow the applicant 10 business days to provide evidence that the information is wrong or to show rehabilitation. The amendments also strengthen definitions and clarify how applicants may bring claims under the ordinance. The Philadelphia Commission on Human Relations will continue to enforce the law, and employers are prohibited from retaliating against applicants or employees who exercise their rights.

Pittsburgh Paid Sick Days Act (PSDA) Amendment

Employees will begin to earn 1 hour of paid sick leave for every 30 hours worked (previously 1 hour per 35 hours). The amount of paid sick leave employees may access each year is also increasing. Employers with 15 or more employees must provide up to 72 hours of paid sick leave annually, and employers with fewer than 15 employees must provide up to 48 hours. Employers may meet these requirements by either accruing leave as employees work or frontloading the full yearly amount. Accrued leave will be required to carry over from year to year unless the employer frontloads the full annual amount. The city has issued an updated mandatory [notice](#) that employers must post and share with employees.

Veterans' Benefits and Services Workplace Posting

Starting January 3, 2026, Pennsylvania employers with more than 50 full-time employees must display a new veteran services notice created by the state Department of Labor & Industry. This mandatory workplace posting will include information about federal and state benefits available to veterans and their families, along with contact details for the U.S. Department of Veterans Affairs Crisis Line and county directors of veterans affairs. Employers will be required to use the official [notice](#) issued by the state—not their own version—and must post it in a visible area where employees typically see workplace notices.

RHODE ISLAND

Minimum Wage Update

Rhode Island's minimum wage will increase to \$16.00/hour; the tipped wage will remain \$3.89/hour. Posters not available yet, link to the page found [here](#).

Onboarding Notice

Rhode Island has expanded its wage-theft prevention rules. All employers will be required to give every new employee a written notice at the start of employment explaining the key terms of their job. The notice must include the employee's pay rate and basis of pay, any meal or lodging allowances, the company's policies on hours and leave, the employee's exemption status, permitted payroll deductions, pay period details, the date of the first payday, and the employer's legal and trade names, addresses, and phone number. The notice must be provided in English, and if the state supplies a translated version for the employee's primary language, that version must also be given. Employers must keep a signed copy of the notice for three years. Failure to comply may result in a \$400 fine for the first or second violation, with higher penalties for additional violations.

Temporary Caregiver Insurance program (TCI) and Temporary Disability Insurance (TDI) Expanded Rhode Island is expanding its Temporary Disability Insurance (TDI) and Temporary Caregiver Insurance (TCI) programs. Under the updated law, employees will be eligible for up to 8 weeks of paid caregiver leave (an increase from 6 weeks). Caregiver leave will also cover time spent caring for a seriously ill sibling, including biological, half-, step-, foster, or adopted siblings. In addition, employees may now use TDI/TCI benefits to recover from bone marrow or organ donation. The state is also increasing the TDI taxable wage base from \$38,000 to \$100,000, meaning more of an employee's wages will be subject to TDI contributions, which may result in higher payroll deductions for workers in 2026.

SOUTH DAKOTA

Minimum Wage Update

South Dakota's minimum wage will increase to \$11.85/hour; the tipped wage will be \$5.925/hour. Poster links: ([English](#)) ([Spanish](#))

VERMONT

Minimum Wage Update

Vermont's minimum wage will increase to \$14.42/hour; the tipped wage will be \$7.21/hour. [Poster link](#)

WASHINGTON

Minimum Wage Updates

Washington's state minimum wage will increase to \$17.13/hour. Poster links: ([English](#)) ([Spanish](#)) ([Multiple Languages](#))

The salary threshold for all overtime exempt workers will be \$1,541.70/week (\$80,168.40/year). The minimum wage for exempt computer professionals who are paid on an hourly basis will be \$59.96/hour.

- Bellingham: \$19.13/hour.

- Burien: *There is active litigation in Burien regarding the recent wage increases. We are monitoring the case for updates.*
- Everett: \$20.77/hour (500+ employees) \$18.77/hour (15-499 employees or annual gross income over \$2 million revenue in Everett). [Poster link](#)
- King County (unincorporated): \$18.32/hour (15 or fewer employees and an annual gross revenue of less than \$2 million); \$19.82/hour (15 or fewer employees and annual gross revenue of \$2 million or greater or 16-499 employees); \$20.82/hour (more than 500 employees). Posters not available yet, link to the page found [here](#).
- Renton: Large employers (more than 500 employees worldwide) \$21.57/hour; Mid-size employers (at least 15 but no more than 500) \$20.57/hour.
- Sea Tac: \$20.74/hour. [Poster link](#)
- Seattle: \$21.30/hour. [Annual Workplace Poster](#); additional languages may be found [here](#).
- Tukwila: \$21.65/hour if employer has 15 or more employees in aggregate worldwide or has over \$2 million annual gross revenue (generated in Tukwila). [Poster link](#); additional languages may be found [here](#).

Changes to Paid Family and Medical Leave

Washington is making significant updates to its Paid Family & Medical Leave (PFML) program in which employers with 25 or more employees will now be covered (down from 50), employees will qualify after 180 days of employment instead of 12 months, and the hours-worked requirement is eliminated. These same rules will also apply to employers using voluntary PFML plans. The amendments add new employer obligations as well. Once an employee has been on PFML for 14 days, employers that provide job protection must give a written notice telling the employee when their job protection ends and when they must return to work. Employers must also maintain health insurance coverage for employees who qualify for job protection, as long as the employee continues to pay their share of premiums. The law also clarifies how PFML and FMLA work together. If an employee uses unpaid FMLA leave instead of PFML, employers may count that FMLA time against the employee's PFML job-protected period — but only if they provide written notice within 5 business days and follow required monthly updates. Additional changes include lowering the minimum amount of time an employee must miss in a week to qualify for PFML benefits from 8 hours to 4 hours, and expanding small business grants to help offset costs when employees take PFML leave.

Unemployment Benefits During Labor Disputes

SB 5041 is changing unemployment insurance (UI) eligibility rules for workers involved in labor disputes. Under the new law, both striking and locked-out workers may qualify for UI benefits if they meet normal eligibility requirements. Striking workers can receive up to six weeks of benefits, while locked-out workers may receive benefits without the six-week limit. The law also clarifies how these benefits affect employers: UI benefits paid to striking or locked-out workers will be handled under special rules so they do not automatically increase an employer's experience rating. In addition, the legislation includes a 10-year sunset and review requirement, meaning lawmakers must revisit the program again in 2036.

Please contact our HR Department at 877-884-7700 if you need further guidance or if you have any questions or concerns about these updates.