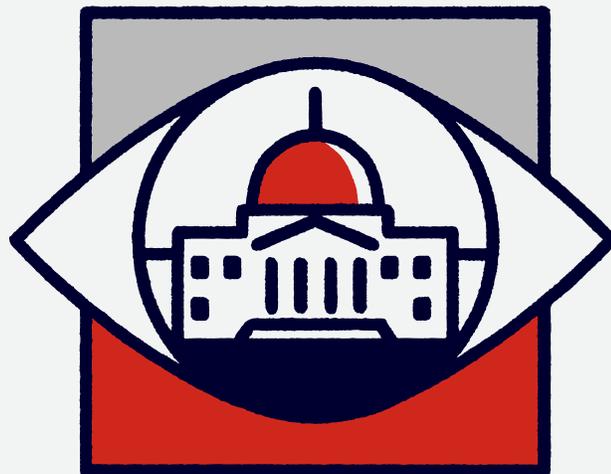


Eye on State and Local Compliance

Timely, topical insights on a variety of HR, payroll, benefits and workforce management issues.

February 26, 2026



State/Territory/District

California Finalizes Templates for Pay Data Reporting for 2025, Includes New Data Fields

Highlights

Impacted Employers: All private employers who have 100 or more employees, with at least one California employee.

Effective Dates: May 13, 2026 (reporting due). See details below.

Summary: The California Civil Rights Department (CRD) has published final versions of pay data reporting templates for the 2025 reporting year. The templates include new data fields for reporting employees' exemption status, employment type, and weeks worked during the reporting year.

Next Steps: Covered employers should use the final version of the templates and file their pay data reports by May 13, 2026.

The Details:

The California Civil Rights Department (CRD) has published final versions of pay data reporting templates for the 2025 reporting year. The [templates include](#) new data fields for reporting employees' exemption status, employment type, and weeks worked during the reporting year.

The CRD has provided accompanying guidance, including answers to [frequently asked questions](#), a [user guide](#) and [a handbook for employers](#) to review for help with completing the templates.

Background:

Under California law, a private employer with 100 or more employees, including at least one California employee, must submit a pay data report covering the prior calendar year to the state on or before the second Wednesday of May each year, which for 2025 reporting is May 13, 2026.

Topics covered in this issue:

State/Territory/District

- California Finalizes Templates for Pay Data Reporting for 2025, Includes New Data Fields
- New Jersey Amends Family Leave Act
- Updated: New York State Amends Trapped at Work Act
- Ohio Requires E-Verify for Construction Employers
- Employees in Puerto Rico Entitled to Special Leave Due to Influenza Outbreak

Local

- New York City Releases Guidance to Assist with Fair Workweek Requirement

Minimum Wage

- Minimum Wage Announcements 1/21/26 – 2/20/26

A private employer that has 100 or more employees, with at least one California employee, hired through labor contractors within the prior calendar year must also submit a separate pay data report to the state covering those employees. The private employer must also disclose on the pay data report the ownership names of all labor contractors used to supply employees. A labor contractor must supply all necessary pay data to the private employer.

New Data Fields in Templates:

As mentioned above, the templates include new data fields for reporting employees' exemption status, employment type, and weeks worked during the reporting year. The following is the CRD's guidance for completing these fields.

Reporting Exemption Status:

The guidance says covered employers should identify whether each California employee is exempt from the minimum wage and overtime pay provisions of state laws and/or the federal Fair Labor Standards Act (FLSA). Employers should classify each California employee as having either:

- Exempt status; or
- Non-exempt status.

Reporting Employment Type:

The guidance says covered employers should classify each California employee into one of three employment types:

- **Full-time:** An employee who is assigned to regularly work full-time hours under the employer's standard or alternative workweek schedule would fall under the "full-time" employment type.
- **Part-time:** An employee who is assigned to regularly work less than full-time hours under the employer's standard or alternative workweek schedule would fall under the "part-time" employment type.
- **Intermittent:** An employee who is assigned to periodically or irregularly work full-time or part-time hours, under the employer's standard or alternative workweek schedule, would fall under the "intermittent" employment type.

Reporting Weeks Worked:

The guidance says covered employers should identify the number of weeks worked by each California employee during the reporting year. This includes weeks during which the employee was on any form of paid time off (such as vacation time, sick time, or holiday time).

For each establishment, covered employers should identify the number of California employees in each employee group by classifying employees based on race/ethnicity, sex, job category, pay band, exemption status, and employment type.

Once a covered employer has identified the employee group for each of its California employees in the snapshot period, the employer should then aggregate the total weeks worked during the reporting year for all the California employees in the same employee group. The resulting number should be entered as the "Total Annual Weeks Worked."

If an employee doesn't share the same employee group of any other employee in the establishment, the employer would report a count of one employee and report the number of weeks worked during the reporting year by that employee alone.

In reporting on labor contractor employees, weeks worked includes the actual number of weeks worked by the labor contractor employee for the reporting client employer.

Next Steps:

Covered employers should use the final version of the templates and file their pay data reports by May 13, 2026.

New Jersey Amends Family Leave Act

Highlights

Impacted Employers: New Jersey employers. See below for further details.

Effective Date: July 17, 2026

Summary: New Jersey has enacted legislation that amends the New Jersey Family Leave Act (NJFLA) by expanding employer coverage and lowering employee eligibility requirements.

Next Steps: Review policies, practices and training to help comply with the changes.

The Details:

New Jersey has enacted legislation (Assembly Bill 3451), which amends the [New Jersey Family Leave Act \(NJFLA\)](#) by expanding employer coverage and lowering employee eligibility requirements.

Background:

Under the NJFLA, certain employers must provide eligible employees with up to 12 weeks of job-protected leave in a 24-month period for reasons such as taking time off to bond with a child, caring for a family member or someone equivalent to a family member with a serious health condition, or providing care or treatment for a child whose school or daycare is closed due to a public health emergency.

New Jersey Family Leave Act Amendments:

Covered Employers:

Currently, the NJFLA covers employers with 30 or more employees in the current or immediately preceding calendar years.

Assembly Bill 3451 increases which employers are covered under the NJFLA as follows, based on the number of employees they have in the current or the immediately preceding calendar year:

Effective Date	Employee Count
July 17, 2026	15 or more employees
July 17, 2027	10 or more employees
July 17, 2028	Five or more employees

Lower Coverage Requirements for Employees:

Currently, to be covered under the law, an employee must be employed by a covered employer for **at least 12 months** and have worked **at least 1,000 hours** during the preceding 12 months.

Effective July 17, 2026, to be covered under the law, an employee must be employed by a covered employer for **at least three months** and have worked **at least 250 hours** during the preceding 12 months.

Expanded Temporary Disability Leave:

Assembly Bill 3451 also expands job protections for employees who use temporary disability benefits (TDI) or family temporary disability leave benefits (FLI).

Under the law, an employer must:

- Restore an employee to their position or a position with equivalent seniority, pay, and benefits upon return; and
- Let an employee who is eligible for earned sick leave and either TDI or FLI decide the order in which they wish to use their leave.

Next Steps:

Employers should review and update their family and disability leave policies to help ensure compliance with Assembly Bill 3451.

Updated: New York State Amends Trapped at Work Act

Highlights

Impacted Employers: Public and private New York employers.

Effective Date: February 13, 2027

Summary: New York has amended its Trapped at Work law to clarify the repayment requirements of certain training expenses when the employment relationship ends.

Next Steps: Review training and termination policies and procedures.

The Details:

New York State enacted legislation (Senate Bill S4070B), which banned promissory notes that require an employee to repay their employer for certain training expenses.

New York then enacted legislation (Assembly Bill 9452), which amends and clarifies the [Trapped At Work Act](#) and delays the effective date to **February 13, 2027**.

Assembly Bill 9452:

Covered Employers:

The law covers any individual, corporation, limited liability company, or association employing any individual in any occupation, industry, trade, business or service.

Covered Workers:

The law also covers any individual employed for hire by an employer in all employment.

Promissory Notes Prohibition:

The law defines "promissory note" as an instrument, agreement, or contract provision that requires a worker to pay their employer (or the employer's agent or assignee) money if they leave their employment before a stated period of time has passed.

Under the law, requiring a promissory note as a condition of employment will be unenforceable and null and void under the law for the following employer-specific or non-transferable training:

- Instruction on the employer's proprietary processes, proprietary systems, internal policies, proprietary software, or proprietary equipment unique to the employer;
- Instruction that does not qualify the employee for a new occupational title, classification, or industry-recognized credential and instead consists of skillful variations of general processes known to the relevant trade or industry; or
- Mandated safety and compliance training required by federal, state, or local law to maintain workplace safety, which includes but is not limited to OSHA certifications, sexual harassment prevention, or diversity training.

Note: If a promissory note is part of a larger agreement, the invalidity of the note does not affect the other provisions of the agreement.

Enforceable Repayment Agreements:

Transferable Training:

An employer may continue to enforce agreements that require an employee to reimburse the employer for the cost of tuition, fees, and required educational materials for a transferable credential when the agreement meets specific conditions. See [the text of the law](#) for further details.

The law defines "transferable credential" as a degree, diploma, license, certificate, or documented evidence of skill proficiency or course completion that:

- Is widely recognized by employers in the relevant industry as a qualification for employment;
- Is independent of the employer's specific business practices; or
- Provides skills or qualifications that demonstrably enhance the employee's employability with other employers in the relevant industry.

Other Unaffected Agreements:

Employers may also continue repayment agreements that require educational personnel to comply with terms or conditions of sabbatical leaves or relate to programs agreed to under a collective bargaining agreement.

Penalties:

Any employer found to have violated the law may face penalties of \$1,000 to \$5,000 per violation. See the [text of the law](#) for further details.

Next Steps:

- Review training and termination policies and procedures.
- Train supervisors on the changes under the law.

Ohio Requires E-Verify for Construction Employers

Highlights

Impacted Employers: All non-residential construction contractors, subcontractors, and labor brokers operating in Ohio. See below for further details.

Effective Date: March 19, 2026

Summary: All covered employers working on commercial projects must use the federal E-Verify system to confirm the legal work status of every new hire.

Next Steps: Review hiring policies and practices, and train supervisors to help ensure compliance with the changes. See details below.

The Details:

Ohio has enacted legislation, House Bill 246, which requires all covered employers working on commercial projects to use the [federal E-Verify system \(E-Verify\)](#) to confirm the legal work status of every new hire. House Bill 246 is effective **March 19, 2026**.

Background:

As background, E-Verify is an online system operated by the federal government that is jointly administered by the United States Department of Homeland Security (DHS) and the Social Security Administration (SSA) under the federal "Immigration Reform and Control Act of 1986," or any of its successor programs. E-Verify enables an employer to determine a new hire's eligibility to work in the United States.

A final non-confirmation (FNC) for a case occurs when E-Verify cannot confirm an employee's employment eligibility under certain circumstances. Employers must close the case once the case receives a final non-confirmation and indicate whether they will continue to employ the individual. Review the [E-Verify site](#) for more information.

House Bill 246:

Under House Bill 246, Ohio state agencies will require:

- E-Verify for all relevant contracts.

- Covered employers to open an E-Verify case for every new hire. Covered employers include all non-residential construction contractors, subcontractors, and labor brokers operating in Ohio. See [the text of the law](#) for further details.
- Employers to immediately terminate employees who receive a final non-confirmation, or the employer may face fines and potentially be banned from state contracts.

An employee is an individual who performs services for a contractor, subcontractor, or labor broker who:

- Is subject to the contractor's, subcontractor's, or labor broker's direction and control (not only as to the result accomplished, but also as to the details of how the work is performed); and
- Receives compensation in the form of wages, salary, or other form of remuneration in exchange for services rendered.

Note: Under House Bill 246, E-Verify is not required for employees who were previously verified and are not subject to future reverification under federal law. The language of the HB 246 is ambiguous. Employers considering verifying current employees should consult with counsel as doing so may conflict with federal rules.

Recordkeeping:

Under the law, employers must retain verification records for three years after the employee's date of hire or one year after termination, whichever is longer.

Penalties:

An employer who knowingly hires an unauthorized worker may face permanent license revocation.

Employers found not to have created an E-Verify case may face the following penalties:

- First offense: \$250
- Second offense: \$1,000 for a second (within three years)
- Subsequent violations: \$1,500 per violation

Employers found to have continued to employ a worker after a final non-confirmation may face higher penalties:

- First offense: \$5,000
- Second offense: \$10,000
- Subsequent violations: \$25,000 per violation

Employers have 10 days to request a hearing, or the order becomes final.

Next Steps:

Covered employers should review hiring policies and practices, and train supervisors to help ensure compliance with the changes.

Employees in Puerto Rico Entitled to Special Leave Due to Influenza Outbreak

Highlights: Puerto Rico governor issued an executive order declaring a public health emergency triggering a five-day special paid sick leave entitlement.

Impacted Employers: All employers with employees in Puerto Rico.

Effective Date: January 27, 2026

The Details:

On January 27, 2026, the governor of Puerto Rico issued Executive Order 2026-005 (EO 2026-006 declaring a public health emergency and implementing an additional five-day paid sick leave requirement for non-exempt employees due to an influenza outbreak on the Island.

Under 2026-005, non-exempt employees who have been diagnosed with or are suspected of having influenza are only entitled to the additional five paid working days leave once accrued paid sick leave and any other paid leave entitlement (e.g. vacation) has been exhausted.

The additional paid leave will be available until the public health emergency has been declared ended.

Next Steps:

If you have non-exempt employees in Puerto Rico:

- Review leave policies and procedures to ensure compliance with the requirements.
- Train supervisors on how to handle requests for such leave.
- Watch for developments closely to determine when the state of emergency for the virus ends.

Local

New York City Releases Guidance to Assist with Fair Workweek Requirements

Highlights

Impacted Employers: The guidance is specific to New York City fast food employers, but other industries with Fair Workweek (FWW) laws can leverage parts of the guidance to help ensure compliance.

Effective Date: Effective immediately

Summary: The Department of Consumer and Worker Protections (DCWP) has released guidance to help fast food employers develop systems to track compliance with the [New York City Fair Workweek Law](#). The guidance also provides recommended software specifications to support electronic compliance.

The Details:

The DCWP has released non-mandatory [guidance](#) to help employers develop systems to track compliance with the [New York City Fair Workweek Law](#). The guidance also provides recommended software specifications to support fast food employers' electronic compliance.

Background:

The [New York City Fair Workweek Law](#) requires fast food employers to keep certain records, such as a roster and information relating to employees' actual hours worked, schedules, changes to their schedules, performance and termination. See below for further details.

The Guidance:

Below is an overview of the DCWP's recommendations for helping to ensure compliance with the [New York City Fair Workweek Law](#) (see [the guidance](#) for further details):

The DCWP recommends the adoption of a single system that integrates:

- A human resources management system that records basic information about employees and documents their employment history, including: name, contact information, dates of employment, evaluations, and disciplinary record, etc.;
- A scheduling system for offering and assigning shifts to employees;
- A timekeeping system that tracks employees' worked time; and
- A payroll system that calculates and distributes pay to employees.

Note: The DCWP cautions against using multiple systems that do not interact with each other and require manual transcription or reconciliation, as employers using multiple systems must integrate all information from the systems listed above to help ensure compliance with all required FWW records.

The DCWP states that compliant FWW tracking systems should have:

- Automated communication to employees by text message, email, and for mobile applications, push notification for sending schedules and access to hours notices to each employee;
- A manager’s view that allows a store manager (or other approved staff) to:
 - o View scheduling, time and attendance and payroll information for a location;
 - o Assign schedules; and
 - o Perform other scheduling-related tasks.
- An employee’s view that employees can access, so they can:
 - o View their own scheduling, time and attendance, and pay information;
 - o Provide consent to schedules; and
 - o Request schedule changes.
- Integration with a tablet or other in-store hardware components that can be used to accept user inputs (such as time punches and consents) and show messages, such as “by clicking here I consent to work beyond my scheduled time”; and
- Appropriate record statuses to distinguish, at a minimum, between draft and published content within the software.

Note: The DCWP’s guidance addresses each component of the FWW law and details what should be maintained by an integrated electronic record-keeping system.

The recommendations cover authentication, compliance, configuration and customization, employee profiles, regular and work schedules, time and attendance, requests and consent to schedule changes, payroll processing, reporting, audits on schedule change premiums, access to hours and prohibition on wrongful discharge and minimum time between shifts.

The guidance also:

- Provides useful practical record-keeping guidance for employers who do not use electronic systems to comply with the [New York City Fair Workweek Law](#), or those that want to (or already have) created or purchased an electronic system; and
- Details what information is expected to be maintained and produced during a DCWP investigation.

The New York City Fair Workweek Law Recordkeeping Requirements:

Below are records fast food employers must maintain under the [New York City Fair Workweek Law](#).

Record Requirements	Description
A roster	The roster must identify each employee who works at a New York City fast food restaurant and include their phone number, email address and mailing address.
Actual hours	An employee’s actual hours worked each week, including their dates of work, actual work hours and work locations.
Schedules	<ul style="list-style-type: none"> • Employees’ regular schedules • Each work schedule provided to each employee, including: <ul style="list-style-type: none"> o Times and locations where work is to be performed. o The date and time the schedule was provided.

Schedule changes	<ul style="list-style-type: none"> • Employees' written requests for changes to their work and their regular schedule; • Written consent forms memorializing agreement to work additional hours or shifts, or consent to be scheduled differently from the time reflected in a regular schedule, including the date and time the consent was created; • Documents showing shift trades between employees; • "Access to Hours" shift offers and shift acceptances; • Pay records showing all schedule changes and premiums owed; • Support for each instance a schedule change premium was not owed due to the employee's lateness or absence.
Performance	All records of discipline issued to fast-food employees.
Termination	<p>A notice of discharge to all fast-food employees must include:</p> <ul style="list-style-type: none"> • The date of discharge; • An explanation of whether the discharge is due to a violation of the employer's progressive discipline policy or due to bona fide economic reasons; and • The date and distribution method of the discharge notice.

Next Steps:

Review [the guidance](#) to help manage your compliance with the [New York City Fair Workweek Law](#).

Minimum Wage

Minimum Wage Announcements – 1/21/26 – 2/20/26

The following states or localities have announced new minimum wage increases.

State or Locality	Minimum Wage Rate	Minimum Tipped Cash Wage	Effective Date(s)	New or Updated Poster Requirement?	Notes
Los Angeles County, CA	\$18.47	\$\$18.47*	7/1/26	Yes	Once available found here
Malibu, CA	\$17.91	\$17.91*	7/1/26	Yes	
Santa Fe County, NM	\$15.40	\$4.62	3/1/26	No	

*CA does not allow the use of tip credit.

[Download a PDF of a comprehensive listing of state and local minimum wage rates.](#)

ADP Compliance Resources

ADP maintains a staff of dedicated professionals who carefully monitor federal and state legislative and regulatory measures affecting employment-related human resource, payroll, tax and benefits administration, and help ensure that ADP systems are updated as relevant laws evolve. For the latest on how federal and state tax law changes may impact your business, visit the ADP **Eye on Washington** Web page located at www.adp.com/regulatorynews.

ADP is committed to assisting businesses with increased compliance requirements resulting from rapidly evolving legislation. Our goal is to help minimize your administrative burden across the entire spectrum of employment-related payroll, tax, HR and benefits, so that you can focus on running your business. This information is provided as a courtesy to assist in your understanding of the impact of certain regulatory requirements and should not be construed as tax or legal advice. Such information is by nature subject to revision and may not be the most current information available. ADP encourages readers to consult with appropriate legal and/or tax advisors. Please be advised that calls to and from ADP may be monitored or recorded. If you have any questions regarding our services, please call **855-466-0790**.