Eye on State and Local Compliance

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

June 29, 2026

State/Territory/District

Colorado requires certain employers to report workforce demographic data

Impacted employers: Private-sector employers that conduct business in Colorado, employ 100 or more workers, and, as of March 1, 2026, are required to submit EEO-1 data to the U.S. Equal Employment Opportunity Commission (EEOC).

Effective date: The additional reporting requirement takes effect on **July 1, 2027**.

Summary: Colorado has enacted a law that requires covered employers to include demographic workforce data collected through the federal Employer Information Report (EEO-1 report) in the periodic reports submitted to the Colorado Secretary of State.

Next steps: Covered employers should adjust procedures to ensure compliance with the new requirement. More detailed next steps can be found below.

The details:

Under existing law, Colorado requires limited liability companies, corporations, nonprofits, and other reporting entities to submit periodic reports to the Colorado Secretary of State identifying the entity's name and the jurisdiction under the law of which the entity is formed.

Beginning July 1, 2027, private-sector reporting entities must also include EEO-1 data in those periodic reports submitted to the Colorado Secretary of State if they:

- Conduct business in Colorado;
- Employ 100 or more workers; and
- As of March 1, 2026, are required to submit EEO-1 data to the U.S. Equal Employment Opportunity Commission.

Colorado's requirement continues even if the federal government repeals or discontinues the federal EEO-1 filing requirement.

Through the federal EEO-1 process, employers report demographic workforce data by categorizing employees by race, ethnicity, gender, and job category.

Topics covered in this issue:

In periodic reports to the Colorado Secretary of State, covered employers must include the same type of demographic workforce data collected through the federal EEO-1, using the form as it existed on March 1, 2026.

Next steps:

- Determine whether you are covered by the law.
- Identify which legal entities in your organization are subject to Colorado periodic reporting.
- Confirm your compliance start date and filing calendar.
- Map internal ownership of the filing.
- Verify you can produce the required demographic data set.

Connecticut amends rules for breaks for nursing mothers, adds notice requirement, and more

Impacted employers: All employers in Connecticut.

Effective date: October 1, 2026

Summary: Employers must provide reasonable break times for nursing employees under state law, and must provide a new notice about reasonable accommodations for disabilities. The law also enhances workers' compensation benefits for certain workers.

Next steps: Review the law in full and determine whether any changes to policies and practices should be made.

The details:

Connecticut has enacted legislation that will mandate that employers provide reasonable break times for nursing employees under state law, require employers to provide a new notice about reasonable accommodations for disabilities, and enhance workers' compensation benefits for certain workers.

Reasonable break time for nursing employees:

Connecticut law requires employers to make reasonable efforts to provide a room or location for a nursing employee near the work area, that: (1) is private, (2) has or is near a refrigerator or other employee-provided portable cold storage device, and (3) has access to an electrical outlet.

Effective October 1, 2026, Connecticut will also require employers to provide reasonable break times for an employee to express breastmilk for the employee's nursing child or to breastfeed at the workplace, in addition to the employee's scheduled breaks.

ADA notice:

Effective October 1, 2026, employers must provide written notice to employees of the right to reasonable accommodations under the federal Americans with Disabilities Act (ADA). Employers must provide this notice:

- At the start of employment to new hires;
- By January 29, 2027, to existing employees; and
- Within 10 days to an employee who informs the employer that they have a disability.

The law directs the Connecticut Department of Labor (CTDOL) to create a notice. An employer may comply with the notice requirements by displaying the version created by the department in a conspicuous place, accessible to employees, at the employer's place of business.

Enhanced workers' compensation benefits:

Effective October 1, 2026, employees of health care providers and certain teachers will be eligible to receive enhanced workers' compensation benefits if they are unable to work due to a physical or negligent assault while performing their duties within the scope of their employment. Review the text of the law for details.

Next steps:

Review the law in full and determine whether any changes to policies and practices should be made.

Connecticut amends rules for pay codes

Impacted employers: Employers with 100 or more employees.

Effective date: October 1, 2026

Summary: Connecticut has enacted legislation that will require employers with 100 or more employees to create a guide to pay codes.

Next steps: Review the law in full and determine whether any changes to policies and practices should be made.

The details:

Effective October 1, 2026, employers with 100 or more employees must create a guide for their employees on the pay codes the employer uses for overtime and its most commonly used pay differentials, such as shift differentials, on-call pay, hazard pay, callback pay, holiday or weekend pay, or geographic pay differentials.

The guide must include, if applicable, at least 10 pay codes and be posted on the employer's website in English, Spanish, and the most common other languages spoken by their employees. The guide must also include contact information for the designated office or person who will handle employee disputes about calculations of hours and pay differentials.

Covered employers must update the guide each time a new pay code is added for overtime or a pay differential.

Covered employers must also:

- Include a link to the guide on each record of hours given to an employee; and
- Give new employees a link to the guide upon hire.

Employers may also comply with this provision by giving a written copy of the guide to an employee upon hire in English and the employee's primary language.

Next steps:

Review the law in full and determine whether any changes to policies and practices should be made.

Connecticut amends rules for promissory notes

Impacted employers: All employers.

Effective date: October 1, 2026

Summary: Connecticut has enacted legislation that expands a prohibition on employment promissory notes.

Next steps: Review the law in full and determine whether any changes to policies and practices should be made.

The details:

Effective October 1, 2026, House Bill 5003 also expands a prohibition on employment promissory notes to cover all employers.

An employment promissory note is defined as an instrument or agreement that requires an employee to pay the employer if the employee leaves employment before a set amount of time. This includes instruments or agreements stating that the payment is reimbursement for employee training.

Specifically, House Bill 5003 will prohibit all employers from requiring an employee or prospective employee to execute an employment promissory note as a condition of employment. Prior to House Bill 5003, the prohibition applied to only employers with more than 25 employees.

The prohibition doesn't apply to an agreement:

- Requiring an employee to repay any sums advanced to the employee by the employer;
- Mandating that an employee pay the employer for any property it has sold or leased to the employee;
- Stipulating that educational personnel must comply with any terms or conditions of sabbatical leaves granted; or
- Entered into as part of a program agreed to by the employer and its employees' collective bargaining representative.

Next steps:

Review the law in full and determine whether any changes to policies and practices should be made.

Connecticut expands notice requirements for electronic monitoring

Impacted employers: Employers that conduct electronic monitoring of employees on the employer's premises.

Effective date: October 1, 2026

Summary: Connecticut has enacted legislation expanding employer notice requirements for electronic monitoring of employees. **Beginning October 1, 2026**, covered employers must disclose not only the types of electronic monitoring that may occur, but also the specific locations on the employer's premises where monitoring may occur.

Next steps: Covered employers should revise employee monitoring notices and procedures to align with the changes. More detailed next steps can be found below.

The details:

Under current Connecticut law, employers that engage in electronic monitoring must give prior written notice to all affected employees, informing them of the types of monitoring that may occur. Employers may satisfy that requirement by posting the notice in a conspicuous place that is readily available for employees to view. The law states that posting constitutes the required prior written notice.

Under a limited exception, employers may monitor without prior written notice if they have reasonable grounds to believe that employees engaged in conduct that: (1) violates the law, (2) violates the legal rights of the employer or its employees, or (3) creates a hostile workplace environment, and that monitoring might produce evidence.

Effective October 1, 2026, covered employers must also:

- Disclose the specific locations on the employer's premises where electronic monitoring may occur.
- Post the notice in a conspicuous place that is readily available for viewing by employees, including, but not limited to, in the specific location on the employer's premises where monitoring may occur.
- Provide each employee hired on or after October 1, 2026 with a written plain-language statement, before employment begins, advising which prohibited activities may be monitored without prior written notice under the law's exception.

Note: The requirement to disclose the specific location where electronic monitoring may occur doesn't apply: (1) if the premises is an airport, or (2) when the employer has reasonable grounds to conduct monitoring for security and employee-safety purposes.

Next steps:

In addition to revising employee monitoring notices and procedures to align with the changes, covered employers should:

- Review workplace postings and ensure the notice is posted in a conspicuous place, including in each specific location where monitoring may occur.

- Create a written plain-language notice for each employee hired on or after October 1, 2026, and provide it before the employee begins employment.
- Map monitored spaces on the employer's premises so the employer can describe locations with enough specificity to support compliant notice and posting.

Connecticut expands pay transparency requirements

Impacted employers: All employers.

Effective date: October 1, 2026

Summary: Connecticut has enacted legislation that will expand pay transparency requirements

Next steps: Review the law in full and determine whether any changes to policies and practices should be made.

Connecticut has enacted legislation that will expand pay transparency requirements. The changes result from the enactment of House Bill 5003 and take effect on **October 1, 2026**.

The details:

Prior to House Bill 5003, state law required employers to provide:

- A job applicant with the wage range for a position the applicant is applying for, upon the earliest of the applicant's request or before or at the time the applicant is made an offer of compensation.
- An employee with the wage range for their position upon their hiring, a change in the employee's position with the employer or the employee's first request for a wage range.

Effective October 1, 2026, House Bill 5003 will require that any internal or public job advertisements include the wages or wage range for the position and a general description of the benefits offered with the position.

House Bill 5003 will also amend the definition of "wage range" to mean the pay range an employer **sets in good faith** for a position, and may include reference to any applicable pay scale, previously determined range of wages for the position, actual range of wages for those employees currently holding comparable positions or the employer's budgeted amount for the position.

If the position isn't made available to an applicant via an internal or public job advertisement, employers must provide the wage range for the position and a general description of the benefits offered with the position upon the earliest of the applicant's request, or prior to **any discussion of compensation with the applicant** or an offer of compensation to the applicant.

Under the amended rules, employers must provide an employee with the wage range for their position **and a general description of the benefits** offered with the position upon:

- The hiring of the employee;
- A change in the employee's position with the employer; or
- The employee's first request for a wage range.

For the purposes of the law, benefits are defined as health insurance benefits, retirement benefits, fringe benefits, paid leave, and any other compensation other than wages offered with a position.

House Bill 5003 also makes clear that the pay transparency rules apply to any position in which the duties will be performed within the state or in which the duties will be performed outside of the state but require the employee to report directly to a supervisor, office or other worksite located within the state.

The amended law will also prohibit employers from retaliating or discriminating against an applicant or employee for exercising their rights under the law.

Next steps:

Review the law in full and determine what changes to policies and practices should be made.

Hawaii expands family leave law

Impacted employers: Employers with 100 or more employees working in Hawaii.

Effective date: July 1, 2026.

Summary: Hawaii has enacted legislation amending the Hawaii Family Leave Law (HFLL) to allow leave for a "qualifying military exigency."

Next steps: Covered employers should update their state family leave policy to include qualifying military exigency as a permitted reason for family leave and follow the additional next steps below.

The details:

Hawaii has enacted legislation amending the Hawaii Family Leave Law (HFLL) to allow eligible employees to take up to four weeks of unpaid leave per calendar year for a "qualifying military exigency."

Background:

The HFLL applies to employers with 100 or more employees (during each of 20 or more calendar weeks in the current or preceding calendar year).

Prior to the amendment, the HFLL entitled eligible employees to take up to four weeks of unpaid leave in a calendar year for the birth or adoption of a child or to care for their child, spouse, reciprocal beneficiary, sibling, grandchild, or parent with a serious health condition.

Amendment:

Effective July 1, 2026, eligible employees may also use leave under the HFLL for a "qualifying military exigency."

The amendment defines a "qualifying military exigency" as a qualifying exigency related to active-duty service by an employee's child, spouse, reciprocal beneficiary, sibling, grandchild, or parent in the U.S. Armed Forces.

If the need for leave is foreseeable, the employee must provide the employer with prior notice of the expected qualifying military exigency in a manner that is reasonable and practicable.

An employer may require that a claim for leave under the HFLL be supported by written certification. If certification is required, the documentation for a qualifying military exigency must include a copy of official military orders.

Next steps:

By July 1, 2026, covered employers should:

- Update the state family leave policy to include qualifying military exigency as a permitted reason for family leave.
- Train supervisors and leave administrators that eligible employees may take up to four weeks of family leave per calendar year for a qualifying military exigency or other covered reasons.
- Amend leave request forms to reflect the change.
- Decide whether to require certification for family leave claims (the statute permits employers to do so), consulting legal counsel if necessary.
- If certification is required, collect documentation for family leave, including official military orders for qualifying military exigency leave.

Minnesota clarifies that refusing to engage in the accommodation process may be discriminatory

Impacted Employers: All employers covered by the Minnesota Human Rights Act (MHRA).

Effective Dates: May 19, 2026

Summary: Failure to engage in the process to determine whether a reasonable accommodation exists for an individual with a disability may be an unfair discriminatory practice.

Next Steps: Covered employers should:

- Review their policies and practices for compliance with the MHRA.
- Ensure supervisors know how to recognize and respond to accommodation requests or disability related workplace needs.
- Engage promptly in an interactive process and document steps taken.

The details:

Minnesota has enacted legislation that amends the Minnesota Human Rights Act's (MHRA's) public policy statement to clarify that failing to engage in the process to determine whether a reasonable accommodation exists that would allow an individual with a disability to participate fully in employment may be treated as an unfair discriminatory practice. The change took effect on **May 19, 2026**.

Background:

Under the MHRA, employers with 15 or more employees must provide a reasonable accommodation for a qualified applicant or employee with a known disability, unless the employer can demonstrate that the accommodation would impose an undue hardship.

The MHRA defines "reasonable accommodation" as steps required to be taken to accommodate the known physical or mental limitations of a qualified individual with a disability. To determine the appropriate reasonable accommodation, the employer must typically initiate an informal, interactive process with the individual who needs the accommodation.

Amended MHRA:

Effective May 19, 2026, MHRA's public policy statement was amended to make clear that if the employer fails to engage in the process to determine whether a reasonable accommodation exists, that failure may be treated as an unfair discriminatory practice.

Next steps:

Covered employers should:

- Review their policies and practices for compliance with the MHRA.
- Ensure supervisors know how to recognize and respond to accommodation requests or disability related workplace needs.
- Engage promptly in an interactive process and document steps taken.

Nebraska amends language support requirements

Impacted employers: All covered employers (see definition below).

Effective date: July 18, 2026

Summary: Nebraska has enacted legislation that strengthens the language support services an employer must provide.

Next steps: Update required language support services by **July 18, 2026**.

The details:

Nebraska has enacted legislation (Legislative Bill 921), which strengthens the language support services an employer or their representative must provide. Legislative Bill 921 takes effect on **July 18, 2026**.

Legislative Bill 921:

Under the law, an employer with an employee population of more than five percent (previously 10 percent) non-English-speaking employees who speak the same non-English language, must:

- Provide a language interpreter; and
- Employ an individual to serve as a referral agent to community services for the non-English-speaking employees.

Required interpreter:

An employer must make an interpreter available at the worksite (previously, the law required the employer to find a bilingual employee).

If a Spanish-speaking interpreter is needed, the employer must select an interpreter from a list of interpreters developed by the commissioner. If an interpreter is needed for a language other than Spanish, the employer must select an interpreter capable of explaining and responding to questions regarding the terms, conditions, and daily responsibilities of employment.

Required referral agent:

An employer must also employ an individual to serve as a referral agent to community services for the non-English-speaking employees. The primary responsibility of the referral agent is to develop and maintain a list of community services provided within the community where the relevant worksite is located and assist non-English speaking employees in working with those services.

The name of the individual serving as the referral agent must be provided at each worksite. The information will be provided in the language of the non-English-speaking employees.

Next steps:

Update the required language support services by **July 18, 2026**.

New Jersey releases guidance on ABC test

Impacted employers: An employer with at least one employee (other than agricultural and domestic) earning at least $1,000 in a calendar year.

Effective date: October 1, 2026

Summary: New Jersey has released guidance on the ABC test, which is used to help determine a worker's classification as an employee or independent contractor.

Next steps: Update hiring policies and procedures, and train supervisors to help with the proper classification of workers by **October 1, 2026**.

The details:

The New Jersey Department of Labor **has adopted rules** clarifying **the New Jersey ABC test**, which employers use to help determine whether a worker should be classified as an employee or **an independent contractor**. The rules take effect on **October 1, 2026**.

Background:

Under **the New Jersey ABC test**, an individual is considered an employee unless they meet **all three** of the following criteria:

- They were, and will continue to be, free from control or direction over the performance of services (under their contract and in actuality);
- They are customarily engaged in an independently established trade, occupation, profession or business; and
- The service is:
    - Outside the usual course of the business; or
    - Outside all the places of business of the enterprise.

The final rules:

The final rules provide guidance on existing law, emphasizing a multi-factor analysis where no single factor determines independent contractor status, and continuing to presume workers are employees unless all three criteria are satisfied. The rules apply to state laws, such as New Jersey's **Unemployment Compensation Law, Wage and Hour Laws**, and **Wage Payment Law**. See **the rules** for further details.

Under the final rules:

- An individual who works remotely from home is not automatically considered an employee, and their home is not automatically considered a part of the company's usual places of business.
- The following do not automatically prove independent contractor status:
    - Whether a worker must report services at set times or intervals
    - Performing work for other clients during the engagement period
    - 1099 reporting
    - A worker's low salary
    - Contractual labels
    - Having multiple clients
    - Having a professional license
    - Having a business registration
    - Requiring a worker to carry insurance or form a business entity
- The following do not, on their own, determine an **employer's** control for ABC test purposes:
    - A worker's requirement to use a business's software or application; and
    - The steps a business must follow to comply with federal, state or local law.

The final rule also removed:

- Examples that were industry-specific for a usual course or place of business (such as gig delivery or rideshare companies).
- Language stating that a relevant question for determining independent contractor status is not whether a worker has the right to work for others, but whether they actually perform paid work for others.
- The distinction between "essential" and "ancillary" off-site work to determine a usual place of business. See **the rules** for further details.

Next steps:

- Review **the adopted rules'** multi-factor framework when evaluating each part of the ABC test.
- Update hiring policies and procedures and train supervisors.
- Consult legal counsel as needed to help ensure proper classification of workers by **October 1, 2026**.

Reminder: New York State mandatory retirement program is open

Impacted employers: Private employers with 10 or more employees. See below for further details.

Effective date: Dependent on employer size. See below for further details.

Summary: Employer registration for New York's mandatory retirement program is open.

Next steps: Covered employers should review the New York State Secure Choice Savings Program requirements and be on lookout for information from the state.

The details:

Employer registration for **the New York State Secure Choice Savings Program** is now open for certain employers.

Background:

As a reminder, the New York Secure Choice Savings Program was established in 2021. It is a state-sponsored retirement program that requires and facilitates the creation of Roth IRAs for private-sector employees who do not have access to a qualified employer-sponsored retirement plan. **Note:** These plans are portable if employees change jobs.

Employer participation requirements:

Employer registration was delayed, but is now open.

A private employer must participate in New York Secure Choice if they:

- Have been in business for at least two years;
- Employed 10 or more employees in New York in the previous calendar year; and
- Do not offer a qualified retirement plan.

To register, an employer will need:

- A **federal employer identification number** (EIN)
- A **unique access code** from the notification sent by the state

There are no employer fees to participate in the program, and currently, there are no employer-contribution or matching requirements.

Employees enrolled in the program will be charged a $28 annual fee ($7 per quarter) plus an annual asset-based fee of the total amount invested.

Employee participation requirements:

Employees of covered employers who are 18 years of age and older and have earned taxable wages from an enrolled New York employer must participate in the program.

Employer enrollment of employees:

An employer participating in New York Secure Choice must automatically enroll each eligible employee in the program.

Contributions:

After enrollment, an employee will have 30 days to customize their contribution rate and investment selections, or opt out of the program altogether. An employee may contribute $7,500 maximum to the plan per year ($8,600 for employees that are at least 50 years old). **Note:** Employers cannot match employee contributions.

An employee who does not customize their participation in the program or opt out will have three percent of their gross income automatically deducted from their wages. **Note:** Participants may not borrow from their savings.

An employer must remit the contributions to the Roth IRA.

Employer exemption certification:

An employer that offers a qualified retirement plan is not required to enroll in the program, but must certify its exemption from the program by reporting certain information about its retirement plan offerings to the Secure Choice Savings Program Board.

Employer deadlines:

The Board aims to contact private-sector employers on when they must register or certify their exemption, which will vary based on each employer's headcount:

- **March 18, 2026:** An employer with 30 or more employees
- **May 15, 2026:** An employer with 15-29 employees
- **July 15, 2026:** An employer with 10-14 employees

Next steps:

Review the New York State Secure Choice Savings Program requirements and be on the lookout for information from the state.

Oklahoma amends medical marijuana law

Impacted employers: Oklahoma employers with one or more employees in Oklahoma.

Effective date: November 1, 2026

Summary: Oklahoma has enacted legislation that amends its medical marijuana law.

Next steps: Review and update workplace safety and drug testing policies by **November 1, 2026**.

The details:

The State of Oklahoma has enacted legislation (House Bill 3127), which amends its medical marijuana law. House Bill 3127 takes effect on **November 1, 2026**.

House Bill 3127:

House Bill 3127 clarifies that an employer cannot refuse to hire, discipline, discharge or penalize an applicant or employee solely due to a positive test for marijuana components or metabolites, unless:

- The individual does not possess a valid medical marijuana license;
- The licensee possesses, consumes, or is under the influence of medical marijuana (or a medical marijuana product) at their place of employment or during the fulfillment of their employment obligations; or
- The employer's action is taken under a written drug and alcohol testing policy adopted and **enforced under Oklahoma state law**.

The Amendment also provides that an applicant or employee in a safety-sensitive position, as defined under the law, will be subject to a "zero tolerance" drug and alcohol standard. Employers no longer have the discretion to classify positions as safety-sensitive and must rely on the law's definition. See **the text of the law** for further details.

Next steps:

Review and update workplace safety and drug testing policies by **November 1, 2026**, and seek legal counsel with questions.

Virginia enacts paid family and medical leave law

Impacted employers: Most private employers.

Effective date: Payroll contributions will begin on **April 1, 2028**, and benefits will begin on **December 1, 2028**.

Summary: Virginia has enacted legislation that will require employers to implement heat illness prevention plans.

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

The details:

Virginia has enacted legislation (Senate Bill 2), which requires **most Virginia employers** to provide paid family and medical leave (PFML) to employees (including part-time employees). **The Virginia Employment Commission (VEC)** will create the state-run **PFML program** by **January 1, 2028**. Employees may use leave beginning **December 1, 2028**.

Note: An employer may use a private plan instead of the state-run plan, provided the plan meets VEC and state requirements. An employer using an approved private plan must reapply to renew the plan every two years. See **the text of the law** for further details.

Contributions:

By **October 1, 2027** (and on an annual basis), the VEC will establish the contribution rate for the PFML program. Employers must **remit the required funds** to the PFML program via employer contributions and employee payroll deductions beginning **April 1, 2028**.

An employer with more than 10 employees must deduct up to 50 percent of the required contribution from an employee's wages and remit the remaining amount required for a full contribution to the PFML program.

A small employer (10 or fewer employees) must only deduct up to 50 percent of the required contribution from an employee's wages and remit that amount to the PFML program.

Note: In both cases, an employer may choose to fund all or part of an employee's portion.

An employer's deductions must not reduce an employee's compensation below the **Virginia minimum wage**. Additionally, contributions are only required on wages up to the federal Social Security wage base. See **the text of the law** for further details.

Note: Employers must also maintain an employee's healthcare benefits while on leave as if the individual had worked continuously during the leave period. The employee must pay their share of the cost of health care benefits.

Paid family and medical leave benefit payments:

An employee will receive PFML benefits equal to 80 percent of their weekly wages, capped at 100 percent of the statewide average weekly wage. The minimum weekly PFML benefit is $100 (employees earning less than $100 per week will receive their full wages). Benefits are payable starting on the first calendar day of a benefit year in which an employee meets **certain eligibility requirements**. See the **text of the law** for further details.

Use of leave:

An employee may use up to 12 weeks of PFML benefits (at a minimum of eight hours payable per week):

- To care for:
    - A new **child** during the first year after birth, adoption or placement through foster care;
    - A **family member** with a serious health condition;
    - Their own **serious health condition** that leaves them unable to perform the functions of their job; or
    - A **covered service member** who is the covered individual's next of kin or other family member; and

- For a **qualifying exigency leave** for a family member of the covered individual on active duty, or an impending call or order to active duty, in the U.S. Armed Forces.

An employee may also use up to four weeks to seek **safety services** for a covered individual or family member related to domestic violence, sexual assault or stalking.

PFML runs concurrently with **the Federal Family and Medical Leave Act**.

PFML may be taken continuously, intermittently or on a reduced schedule and should be prorated and coordinated between the employer and employee. An employee who takes PFML on a reduced schedule basis may not have the total amount of leave that they are entitled to reduce beyond the amount of leave they actually take. See **the text of the law** for further details.

Employee notice:

An employee must provide prior notice of the need for PFML to the extent practical and make a reasonable effort to avoid disrupting business operations when scheduling PFML.

Employer notice:

An employer must provide written notice of the PFML law to employees upon hire, on an annual basis, and when employee requests leave under the law or when an employer acquires knowledge that an employee's intent to take leave may make the employee eligible for PFML.

The notice must include:

- The terms under which employees may use benefits
- The amount of benefits that are available
- The procedure to file a benefits claim
- A statement of:
    - The employee's **right to job protection and benefits continuation**;
    - That **discrimination and retaliatory actions are prohibited**; and
    - That an employee has a right to file a complaint for a violation of the law.

An employer must also provide written notice to employees when requiring PFML payments to be made concurrently (or coordinated with) payments made (or leave allowed) under the terms of a disability or family care leave policy.

Poster requirement:

An employer must display a poster of the PFML law in a clearly visible place that is in English, Spanish and a language spoken as a first language by at least five percent of the workforce.

Documentation:

To qualify for PFML, an individual must provide the VEC with certain documentation. See **the text of the law** for documents required under the various PFML leave scenarios.

Recordkeeping:

Employers must keep information in PFML files and records confidential (except for public employees in the performance of official duties). **Note:** An employee (or an authorized representative) may review their PFML files and records or receive specific information from the records with a worker's signed authorization.

Job restoration:

An employee returning from PFML, who worked for their employer for at least 120 days prior to the beginning of their PFML leave, must be restored to the same position as when the leave began, or a position of equivalent seniority, status, benefits, pay and other terms and conditions of employment that they were entitled to when the leave began.

Nonretaliation:

Under the law, an employer cannot retaliate or discriminate against an employee who:

- Requests, files for, applies for, or uses benefits under the law
- Communicates intent to file a claim or a complaint
- Testifies, or intends to testify, or assists in an investigation, hearing or proceeding under the law

An employer also may not have an attendance policy that counts PFML as an absence that may lead to or result in discipline, discharge, demotion, suspension or other adverse action.

Enforcement:

An employer found to have violated the law may face penalties unless they can show credible reasons for taking their actions. See **the text of the law** for further details.

Next steps:

Review and update leave and notice policies and procedures and train supervisors on the changes under the law by **April 1, 2028**.

Note: The state will create a dashboard and launch a dedicated **PFML resource** website. Employers and workers will also receive updates through outreach, webinars, and toolkits; and more details, such as notice timings, will be shared as the PFML program is finalized.

Virginia enacts paid sick leave law

Impacted employers and effective dates:

- **July 1, 2027:** Employers with at least 50 employees;
- **January 1, 2028:** Employers with at least 25 employees; and
- **January 1, 2029:** Employers with at least one employee.

Summary: Virginia will require covered employers to provide paid sick leave.

Next Steps: Review and update leave policies and procedures.

The details:

Virginia has enacted legislation (House Bill 5), which significantly expands the state's existing paid sick leave law, which has covered only certain home health workers since 2021. The new law takes effect beginning **July 1, 2027**.

An employer may adopt a more generous paid sick leave policy than what is required by law. Additionally, an employer is not required to provide additional paid sick leave if it already has a paid leave policy that provides an amount of leave that:

- Meets or exceeds the law's requirements; and
- May be used for the same purposes (and under the same conditions) as the law.

Covered employers:

Under the law, the following **employers** must provide paid sick leave beginning on the following dates:

- **July 1, 2027**: Employers with at least 50 employees;
- **January 1, 2028**: Employers with at least 25 employees; and
- **January 1, 2029**: Employers with at least one employee.

See **the text of the law** for further details and exceptions.

Covered employees:

House Bill 5 covers certain employees, but does not cover home health workers, certain other health care workers, or employees covered by the federal Railroad Unemployment Insurance Act. See **the text of the law** for further details.

Collective Bargaining Agreements (CBAs):

General: An employer is exempt from providing additional paid sick leave if its CBA already provides sufficient paid leave that meets the law's requirements and may be used for the same purposes and conditions.

Longshore and Harbor Workers' Compensation Act: A separate exemption applies to employees covered by this Act if certain conditions are met, including that the employer is a party to a CBA in effect on July 1, 2027. The exemption for employees subject to the CBA lasts until the expiration of the agreement or December 31, 2030 (whichever is earlier).

Accrual:

An employee must accrue at least one hour of paid sick leave for every 30 hours of work at the commencement of employment and may accrue up to 40 hours of paid sick leave in a year (unless the employer selects a higher limit).

Note: A year is a regular and consecutive 12-month period as determined by the employer.

For accrual purposes:

- Employees who are exempt from overtime requirements under **the federal Fair Labor Standards Act (FLSA)** work 40 hours each workweek;
- Exempt employees with a normal workweek of fewer than 40 hours will accrue paid sick leave based on that normal workweek;
- **Airline flight crew employees** work 40 hours each workweek; and
- An employee with a **fee-for-service structure** will accrue paid sick leave following regulations set by the **Commissioner of the Virginia Department of Labor and Industry ("DOLI")**, **("the Commissioner")**.

Note: An employer may, at its discretion, advance or loan paid sick leave to an employee prior to accrual.

Frontloading:

An employer may provide all the paid sick leave that an employee is expected to accrue in a year at the beginning of the year.

Use:

In general, an employee may use up to 40 hours of paid sick leave in a year (generally in one-hour increments):

- For their own health needs;
- To care for a **family member**;
- For certain public health-related closures; or
- For reasons related to **domestic violence**, sexual assault, or stalking.

See **the text of the law** for further details.

Employees may keep and use all of their accrued paid sick leave when they transfer to another division, location, or entity of the same employer, or when a successor employer takes the place of an existing employer.

Carryover:

Unused paid sick leave must be carried over to the year following the year it was accrued.

Note: If an employer front-loads the full 40 hours of paid sick leave at the beginning of the year (see Frontloading above), it is not required to carry over unused leave.

Rehires:

An employee that is separated from employment with an employer and is rehired within 12 months of separation by the same employer:

- Must have their previously accrued and unused paid sick leave reinstated (unless the employer pays for the accrued leave upon separation); and
- May immediately use and continue to accrue paid sick leave upon rehire.

Note: The law does not require an employer to pay out unused paid sick leave upon an employee's separation of employment.

Rate of pay:

Paid sick leave is compensated at **the employer's regular rate**. An employee's regular rate is calculated by dividing the total of the employee's hourly wages and other non overtime compensation for the workweek (excluding amounts not included under the FLSA and its implementing regulations) by the total number of hours worked in that workweek.

Note: The hourly rate may not be lower than **the Virginia minimum wage** and may not be reduced by applying a tip credit.

Documentation:

An employer may require the following documentation for absences of three or more consecutive workdays, to show the reason for paid sick leave is covered under the law:

- A health care provider's note;
- Certain legal or law enforcement documents;
- A statement from a victim services provider; or
- An employee's written statement in certain circumstances.

Note: An employer cannot require an employee to disclose detailed health information or details related to domestic violence, sexual assault or stalking as a condition of using paid sick leave. An employer must treat that information as confidential and cannot disclose it without the employee's consent (unless otherwise required by law).

Employee notice:

An employee may request paid sick leave orally, in writing, electronically, or by another method acceptable to their employer. When the need for leave is foreseeable, an employee must make a good-faith effort to provide advance notice and schedule leave to avoid disrupting business operations.

An employer that requires an employee to provide notice must maintain a written policy outlining procedures for providing the notice and cannot deny leave based on failure to follow a notice procedure (unless that policy has been provided to the employee).

Additionally, an employer cannot require an employee to find a replacement worker or work an alternate shift to make up for missed time to use their paid sick leave.

Employer notice:

The Commissioner will issue rules on what information must be included in employee notices regarding their rights under the law. The information must be provided in written notices to the employees and workplace postings. Additionally, the notice must explain that employees can file a complaint or take legal action if their rights are violated.

Nonretaliation:

An employer cannot:

- Take retaliatory action (discharge, discipline, reduction in hours, or any other adverse employment action) against an employee for requesting or using paid sick leave, filing a complaint, participating in an investigation, or informing others of their rights under the law;
- Count paid sick leave absences under attendance control policies in a manner that results in discipline or other adverse action; or

- Interfere with, restrain, or deny the exercise of, or the attempt to exercise, any rights under the law.

Recordkeeping requirements:

An employer must create and maintain records that document paid sick leave accrual and use for three years. Be on the lookout for further details from the Commissioner.

Penalties:

An employer that is found to have violated the law may face penalties. See **the text of the law** for further details.

Next steps:

- Review leave policies and update them if necessary.
- Watch for additional guidance and the sample notice that must be provided to employees from **the Commissioner**.
- Once published, provide the sample notice to new hires and existing employees.
- Prepare to begin allowing employees to accrue and use paid sick leave by the applicable effective date.
- Train supervisors on how to handle leave requests.

Virginia expands wage and overtime requirements

Impacted employers: All employers as defined under the Fair Labor Standards Act (FLSA).

Effective date: July 1, 2026

Summary: Virginia has enacted legislation which, among other things, clarifies the definition of wages, amends overtime and recordkeeping requirements and extends protections for violations of certain laws.

Next steps: Update pay and recordkeeping policies and procedures to help ensure compliance with the changes under the law by **July 1, 2026**.

The details:

Virginia has enacted legislation (House Bill 238), which, among other things, clarifies the definition of wages, amends overtime and recordkeeping requirements and extends protections for violations of certain laws. House Bill 238 takes effect **July 1, 2026**.

Overtime:

Under the law, **an employer** must pay an individual who is employed by a home care agency or other third-party provider to provide direct support services at least one and one-half times the employee's regular rate for any hours worked in excess of 40 in a workweek. Direct support services are personal care services that assist participants with instrumental activities of daily living.

Wages defined:

The law clarifies the definition of wages, including requirements for time and medium of payment, withholding of wages, and written statements of earnings.

Under the law, wages include any remuneration an employer owes to an employee, such as:

- Hourly wages
- Minimum wages
- Piece rate wages
- Day rates
- Salaries
- Overtime wages
- Legally required prevailing wages
- Commissions
- Tips
- Bonuses
- Damages available due to the misclassification of an employee **under the law**.

Recordkeeping:

The law also requires an employer to keep pay statements or an online accounting for at least three years following the date that the employee performed the work.

Penalties:

The law expands protections for employees when an employer is found to have violated certain laws, including **the Virginia Minimum Wage Act**.

On or after July 1, 2026, an employer may not receive additional penalties when they:

- Demonstrate good faith and reasonable grounds for their actions; and
- Pay all wages that were found to be unlawfully withheld within 14 days of being notified of the violation.

See **the text of the law** for further details.

Next steps:

Update pay and recordkeeping policies and procedures to help ensure compliance with the changes under the law by **July 1, 2026**.

Local

Bloomington, Minnesota repeals earned sick and safe time ordinance

Impacted employers: All employers with employees who work in Bloomington, Minnesota.

Effective date: The ordinance was repealed on April 27, 2026.

Summary: Bloomington, Minnesota has repealed its Earned Sick and Safe Time (ESST) ordinance. Employers must still comply with Minnesota's statewide Earned Sick and Safe Time law.

Next steps: Revise policies and practices as needed, given the repealed Bloomington ordinance. Make sure policies and practices continue to comply with Minnesota's statewide law.

The details:

Background:

Bloomington, Minnesota enacted an Earned Sick and Safe Time (ESST) ordinance that took effect July 1, 2023. The State of Minnesota later enacted an ESST law, effective January 1, 2024. In late 2023, Bloomington amended its ESST ordinance to better align with the forthcoming state requirements.

Repeal:

The city has now repealed its ESST ordinance in full. Employers with employees in Minnesota must continue to comply with the statewide ESST law.

Chicago amends rules for "Fair Workweek Ordinance"

Impacted employers: All employers covered by Chicago's Fair Workweek Ordinance (for details on coverage, go to the Background section below).

Effective date: June 1, 2026

Summary: The City of Chicago has updated the rules for its Fair Workweek Ordinance. The rules take effect **June 1, 2026**. The rules clarify and define various aspects of the ordinance, including scheduling requirements, predictability pay, advance notice, offering extra hours, and more.

Next steps: Covered employers should review the rules in full; update scheduling and posting practices as necessary; document their processes for offering additional hours; and audit recordkeeping practices for compliance.

The details:

The City of Chicago has updated the rules for its Fair Workweek Ordinance. The updated rules take effect **June 1, 2026**. They clarify and define various aspects of the ordinance, including scheduling requirements, predictability pay, advance notice, offering extra hours, and more.

Background:

The Fair Workweek Ordinance requires certain employers to provide workers with predictable work schedules and compensation for changes to their schedules.

Employees are covered by the ordinance if they:

- Work in Building Services, Health Care, Hotels, Manufacturing, Restaurants, Retail, and Warehouse Services,
- Earn $32.60/hour or less or $62,561.90/year or less (these figures are adjusted annually for inflation), and
- The employer has at least 100 employees globally (250 employees and 30 locations for a restaurant) and at least 50 covered employees.

Covered employees are entitled to:

- Advance notice of their work schedule.
- The right to decline previously unscheduled hours.
- Predictability pay for employer-imposed changes made after the required advance notice period, including (among other scenarios) adding or subtracting more than 15 minutes of scheduled time, adding hours to a shift, or changing a shift's date or time (even without a change in total hours).
- Rest by declining work hours less than 10 hours after the end of the previous day's shift.

New rules:

Employer size determination:

The new rules state that to calculate an employer's size, the city will count the average number of global employees during a 12-month period (for an existing employer) or a 90-day period (for a new employer).

To calculate the number of covered employees, the city will count the average number of covered employees during a 12-month period (for an existing employer) or a 90-day period (for a new employer).

When the average headcount isn't a whole number, the city will round down. In the restaurant industry, global locations may be aggregated across a "**unitary business group**."

Initial estimate of work schedules:

The new rules make it clear that a good-faith estimate of the covered employee's work schedule at the time of hire must contain the following information:

- The estimated number of hours the covered employee will work each week;
- The days of the week the covered employee should expect to work;
- The times or shifts the covered employee should expect to work;
- The location(s) the covered employee should expect to work; and
- Whether the covered employee should expect to work any on-call shifts.

Work schedules:

Under the new rules, work schedules must be time-stamped with their date and time of posting. They must also clearly indicate the:

- Start and end dates of the week (defined as seven consecutive 24-hour periods. It may begin on any day of the week and any hour of the day).
- Schedule of hours, days, times, and location(s) that covered employees are scheduled to work, including on-call shifts.
- Names of all covered employees who work at a location, regardless of whether they are scheduled to work that week.

The names of covered employees on the work schedule must include at least their first initial and full last name.

The new rules define "on-call shift" as one where an employer requires a covered employee to either contact the employer or wait to be contacted by the employer, less than 24 hours in advance of the start of the shift, to learn whether the covered employee is required to report to work for the shift.

Predictability pay:

The new rules specify that predictability pay must be:

- Paid no later than the next payday; and
- Noted separately on a wage stub or other form of written documentation and provided to the employee.

The new rules clarify that no predictability pay is required when adding or subtracting hours based on voluntary employee-requested changes, including use of paid leave/paid sick leave/PTO/vacation and mutually agreed shift trades, but the request must be in writing.

Offering extra hours:

The new rules require employers to provide a written notice of the offer of additional shifts to existing covered employees. The notice must contain the following information for each shift offered:

- Location;
- Start and end time;
- Whether the shift is temporary or recurring. If temporary, the notice must state the specific dates for which coverage is needed;
- Required qualifications for the position and what training, if any, will be provided; and
- The process by which employees must notify the employer of their acceptance of the additional shifts, including a deadline containing the date and time by which the offer must be accepted.

The new rules also clarify the priority order for distributing additional hours before hiring outside the organization:

- First: Qualified covered employees at the workplace where hours are available must be offered the hours first.
- Second: If employees are regularly scheduled across locations, covered employees at other locations.
- Third: Temporary and seasonal workers who worked at least two weeks for the employer in the previous 12 months.

Employers must use reasonable judgment and good faith in determining qualifications and shouldn't require training beyond what a new hire would receive.

Right to rest:

Under both the outgoing and new rules, an employee may voluntarily consent to work a shift that starts less than 10 hours after the end of their prior shift, provided they give such consent in writing. The updated rules state that the written voluntary consent may be situational or ongoing. The employee is entitled to revoke the consent at any time.

An employer must still provide rest pay (at 1.25 times the employee's regular rate of pay), regardless of whether the employee requested or consented to work shifts separated by less than 10 hours.

Rest pay must be:

- Paid no later than the next payday; and
- Noted separately on a wage stub or other form of written documentation and provided to the employee.

Employer notices:

The initial notice that employers must provide new hires may be provided prior to the commencement of a job or as part of an onboarding process.

All notices must be posted in English. The new rules clarify that employers must also request and post notices in the languages understood by five percent or more of its workers who aren't literate in English at a jobsite.

Recordkeeping:

The new rules clarify and expand the broad list of records employers must retain for at least three years, including:

- Whether the employee receives tips or performs the duties of both tipped and non-tipped positions; and
- Termination date.

Next steps:

Covered employers should:

- Review the rules in full.
- Update scheduling and posting practices as necessary.
- Document their processes for offering additional hours.
- Audit recordkeeping practices for compliance.

Chicago amends rules for paid leave and paid sick leave ordinance

Impacted employers: All employers with covered employees who perform work within Chicago.

Effective date: June 1, 2026

Summary: The City of Chicago has updated rules for its Paid Leave and Paid Sick Leave ordinance. The rules clarify and define various aspects of the ordinance.

Next steps: Employers should review the rules in full and update leave practices and policies as necessary.

The details:

The City of Chicago has updated rules for its Paid Leave and Paid Sick Leave ordinance. The new rules take effect **June 1, 2026**, and clarify and define various aspects of the ordinance, including definitions, accrual, use, pay during leave, discipline for misuse, and more.

Background:

Chicago's ordinance requires all employers to provide both paid leave that covered employees can use for any reason (PL) and paid sick leave (PSL).

New rules:

Accrual:

The new rules clarify that non-exempt employees under the federal Fair Labor Standards Act (FLSA) accrue PL and PSL on all hours worked, including overtime.

The accrual rate for an employee who is exempt from overtime requirements of the FLSA is capped at 40 hours per workweek for purposes of PL and PSL accrual.

Only hours worked within Chicago count toward accrual.

Remote workers:

The new rules also clarify that remote workers (who meet the definition requirements of a covered employee) and those who telecommute (who meet the definition requirements of a covered employee) are covered by the ordinance, even if the employer is physically located outside of the geographical boundaries of the city.

A "covered employee" means an employee who works at least 80 hours for an employer within any 120-day period while physically present within the geographic boundaries of the city. Once the threshold is reached, the employee will remain a covered employee for the remainder of the time that the employee works for the employer.

Covered employees do not accrue PL or PSL for hours worked outside the geographic boundaries of Chicago, even if their employer is Chicago-based.

Use:

Under both the prior and new rules, a covered employee may use PSL when their child's place of care has an unscheduled closure. The new rules clarify that the term "place of care" includes not only professional and formal organizations (e.g.,

afterschool programs, childcare centers, summer camps), but also providers outside of institutional settings and locations (e.g., paid babysitters, family and friends who supervise children when covered employees are working).

Pay during leave:

The new rules clarify that for tipped employees, PL and PSL pay is based on the highest hourly rate of their base hourly wage, federal minimum wage, Illinois minimum wage, or full Chicago minimum wage (no tip credit).

For employees who receive commissions: PL and PSL pay is based on the base wage or the highest hourly rate of the federal minimum wage, the Illinois minimum wage or the full Chicago minimum wage (no tip credit), whichever is greater.

Discipline for PSL misuse:

The new rules add a provision that an employer may take disciplinary action, up to and including termination, against an employee who misuses PSL, such as patterns including, but not limited to:

- Unscheduled PSL on or adjacent to weekends, regularly scheduled days off, holidays, vacation or pay day;
- Taking scheduled PSL on days when other leave has been denied;
- Using PSL on days when the employee is scheduled to work a shift or perform duties perceived as undesirable.

Employee notice:

Under the ordinance, employers may set "reasonable methods" for employee notification, but the new rules make clear that employers are prohibited from requiring that employees appear in-person or deliver any document before or after using PSL to return to work.

Certification:

The ordinance permits an employer to require certification for the use of PSL if an employee is absent for three or more consecutive workdays. The new rules clarify that "three consecutive workdays" means PSL absences on three consecutive days that the employee is scheduled to work. A shift that spreads from one calendar day into the next calendar day must be counted as one workday.

The rules also clarify that employers are prohibited from:

- Requiring certification before notice of a third consecutive workday of PSL, and
- Delaying PSL use or PSL pay pending certification.

Employer notices:

The rules clarify acceptable posting methods and formatting requirements for notices. For example, the new rules state that employers must post the required notice through the employer's usual methods of communication for such notices.

A posted paper notice must be printed on, and each page scaled to fill, a sheet of paper that measures no less than 11 x 17 inches.

All notices must be posted in English. Employers must also request and post notices in the languages understood by a significant portion of its workers who aren't literate in English. For purposes of this rule, "significant portion" means five percent or more of covered employees at a jobsite.

Available paid leave written notification:

The rules confirm that an employer may choose a reasonable system for giving notice to its employees of the availability and use of PL and PSL, including, but not limited to, listing updated amounts of PL and PSL available to each employee on pay stubs or regular payroll statements; developing an online system where covered employees can access such information; or providing a handwritten record of available time. Regardless of the method of notification, employers are still required to maintain copies of these records to be in compliance with the ordinance.

Employers are not required to provide notification to an employee if the employee has not worked any hours since the last notification. If an employer chooses to frontload, the employer must make written notification of the fact and the availability of the hours to a covered employee at the beginning of the benefit year. Employers that frontload hours are still obligated to keep employees apprised of their available and used benefits in accordance with the ordinance.

Alternative policies:

Under the new rules, an employer may establish a policy that allows employees access to a single, combined paid time off bank of up to 80 hours in lieu of maintaining separate PL and PSL banks, provided the policy meets or exceeds all requirements of the ordinance, including for example, accrual, carryover, and permissible use.

Successor liability:

The 2026 rules clarify the obligations that arise when a business is sold, transferred, or assigned and employees continue working in Chicago. The revised rules make clear that failure to properly transfer and recognize employees' accrued but unused leave balances following such a transaction constitutes a violation of the ordinance. Liability for these failures may extend to both the original and successor employer, as well as any joint employers.

Joint employers:

The new rules introduce an explicit joint employer standard. Multiple entities that share control over the terms and conditions of employment may be jointly responsible for compliance and liable for violations of the ordinance.

In addition, covered employees jointly employed by more than one employer shall be counted by each employer (e.g., for purposes of determining the size of the employer), regardless of whether their names appear on the employer's payroll.

The rules indicate that joint employment can occur in a variety of situations, including, but not limited to, when an employer uses a temporary staffing agency, lead agency, professional employer organization, or other entity serving the same or similar functions. Review the text of the rules for more details.

Next steps:

- **Review the rules in full**.
- Update leave practices and policies as necessary.
- Employers with multi-jurisdiction operations should ensure Chicago-specific requirements are applied to covered employees performing work within Chicago.

Chicago delays tip credit phaseout

Impacted employers: Employers with tipped employees.

Effective date: July 1, 2026

Summary: The Chicago City Council has voted to delay the planned phaseout of the tip credit for two years.

The details:

In 2023, the Chicago City Council voted to gradually eliminate the tip credit that employers with tipped employees may use to satisfy the required minimum wage. The One Fair Wage Ordinance, effective July 1, 2024, provided that the tip credit would be phased out over a five-year period and tipped employees would be paid the full Chicago minimum wage in cash wages by July 1, 2028.

On May 20, 2026, the City Council voted to delay the total phase out of the tip credit.

Currently employers of tipped employees may use 24 percent of the minimum wage in Chicago (currently $16.60 per hour) as a tip credit ($3.98 per hour). Consequently, tipped employee employers must pay at least $12.62 in cash wages per hour. The utilization of the 24 percent amount of the applicable minimum wage as a tip credit will remain in effect until July 1, 2028.

Note: Chicago adjusts its minimum wage based on inflation annually on July 1, which would impact the tip credit.

Under the **revised measure**, future decreases to the percentage of the applicable minimum wage that an employer of tipped employees may utilize is as follows:

Employers that have 21 or more employees:

Dates Effective	Percentage of Minimum Wage Allowed for a Tip Credit
July 1, 2028 through June 30, 2029	16 percent
July 1, 2029 through June 30, 2030	8 percent
July 1, 2030 and beyond	**0 percent***

Employers that have more than three but fewer than 21 employees:

Dates Effective	Percentage of Minimum Wage Allowed for a Tip Credit
July 1, 2028 through June 30, 2030	24 percent
July 1, 2030 through June 30, 2031	16 percent
July 1, 2031 through June 30, 2032	12 percent
July 1, 2032 through June 30, 2033	6 percent
July 1, 2033 and beyond	**0 percent***

*Employers of tipped employees are prohibited from utilizing a tip credit and must pay tipped employees the full-minimum wage in cash wages in effect.

Next steps:

Chicago employers of tipped employees should review the revised measure to ensure they are paying tipped employees at least the required amount in cash wages.

City of Los Angeles airport and hotel minimum wage increases delayed

Highlights: : Los Angeles City Council voted to delay scheduled minimum wage increases for airport and hotel workers.

Impacted employers: Airport and hotel employers in the City of Los Angeles.

Effective date: July 1, 2026

Summary of change: Scheduled minimum wage increases for airport and hotel workers delayed.

Next steps: Pay at least the minimum wage amounts required.

The details:

It was previously announced that the Los Angeles City Council had approved minimum wage increases for airport and hotel workers to begin on July 1, 2026 as follows:

July 1, 2026 $25.00 plus $8.15 toward health benefits
July 1, 2027 $27.50 plus health benefits*
July 1, 2028 $30.00 plus health benefits*

On May 26, an amendment was approved that adjusted the increases as follows:

July 1, 2026 $25.00 plus $4.25 toward health benefits
July 1, 2027 $25.50 plus $6.00 toward health benefits
July 1, 2028 $28.50 plus health benefits*
July 1, 2029 $29.00 plus health benefits*
July 1, 2030 $30.00 plus health benefits*

*Health Benefit rate is adjusted annually on July 1 of each year by the percentage of increase, if any, in the California

Department of Managed Healthcare's Large Group Aggregate Rates (LGAR) report as measured from January to December of the preceding year. For more information, including a link to new wage chart and amendment, please click on the link provided below:

https://wagesla.lacity.gov/

Next steps:

Airport and hotel workers will need to be paid at least the minimum wage as noted above.

Philadelphia voters approve mandatory retirement program

Impacted employers: Employers that have been in business within the City of Philadelphia for at least 24 months and do not offer a qualified employer-sponsored retirement plan.

Effective date: PhillySaves is effective immediately, with contributions set to begin on **July 1, 2027**.

Summary: The City of Philadelphia will require certain employers to facilitate payroll deductions for a mandatory retirement program.

Next steps: Review the PhillySaves requirements and be on the lookout for guidance from the City of Philadelphia on its mandatory retirement program.

The details:

On May 19, 2026, voters in the City of Philadelphia approved a ballot question that formally establishes the mandatory **Philadelphia Retirement Savings Program (PhillySaves)**. PhillySaves is effective immediately, and contributions are set to begin July 1, 2027.

Covered employers:

Employers that have been in business within the City of Philadelphia for at least 24 months and do not have a **qualified employer-sponsored retirement plan** must participate in PhillySaves.

Employee enrollment:

The City of Philadelphia will create a mechanism for the automatic enrollment of covered employees and allow employees to change their contribution rate or opt out of PhillySaves (if they choose to do so).

Employee contributions:

Covered employers must facilitate an employee's contributions to PhillySaves via a payroll deduction at a default contribution rate that will be determined (initially between three and six percent of an employee's wages). Contributions are set to begin **July 1, 2027**.

Note: The employee contribution rate may be increased annually thereafter by one or two percent (the maximum default contribution rate may not exceed 10 percent).

Contributions must be deposited into an IRA (employees may choose to establish a traditional IRA, a Roth IRA, or both). An employer cannot make contributions to a participating employee's account, but may (at any time) begin offering a qualified retirement plan and end their participation in PhillySaves.

Next steps:

- Review **PhillySaves requirements** and be on the lookout for guidance from the City of Philadelphia on enrollment, payroll deductions and other processes required for the City's mandatory retirement program.

Minimum Wage

Minimum Wage Announcements – 5/21/26 – 6/20/26

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
Cook County, IL	$15.40	$9.20	7/1/26	Yes	
Burien, WA (501 or more employees)	$21.78	$21.78	**1/1/26**		Burien released updated guidance regarding minimum wage on May 22, 2026. Minimum Wage - City of Burien
Burien, WA (16 to 500 employees)	$20.78	$20.78	**1/1/26**		
Burien, WA (15 or fewer employees)	$19.28	$19.28	**1/1/26**		

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**.

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Updated on June 29, 2026