Eye on State and Local Compliance

Timely, topical insights on a variety of payroll and reporting issues.

June 26, 2025

State/Territory/District

Colorado Amends Rules on Deductions, Broadens Retaliation Protections

Colorado has enacted legislation that amends rules on payroll deductions and expands retaliation protections under the state's wage and hour and youth employment laws. The law (House Bill 25-1001) takes effect **August 6, 2025**.

The Details:

House Bill 25-1001 amends the state's wage and hour laws as follows:

Deductions:

Existing Law	Effective August 6, 2025
State law prohibits an employer from making a payroll deduction that would reduce a non-exempt employee's pay below the federal minimum wage.	State law prohibits an employer from making a payroll deduction that would reduce a non-exempt employee's pay below **the applicable** minimum wage.

Retaliation:

Existing Law	Effective August 6, 2025
Employers are prohibited from taking adverse action against an employee for: • Filing a complaint or causing to be instituted a proceeding under any law or rule related to wages, hours, or employment of minors; or • Testifying or providing other evidence, in a proceeding on behalf of the employee or another person regarding afforded protections under any law or rule related to wages or hours	Employers are prohibited from taking adverse action against an employee or **worker** for: • Filing a complaint or causing to be instituted a proceeding under any law or rule related to wages, hours, or employment of minors; or • Testifying or providing other evidence, in a proceeding on behalf of the employee or another person regarding afforded protections under any law or rule related to wages, hours, **or employment of minors**. • **Raising concerns** in good faith about compliance with or **providing information about rights** under any law or rule related to wages or hours to any person.

Topics covered in this issue:

Existing Law	Effective August 6, 2025
No relevant provision on timing of adverse action.	When determining whether retaliation has occurred under the above provisions, the **time between** when the individual engaged in protected activity and when the employer took adverse action must be considered.
No relevant provision on immigration status.	Any effort to **use an individual's immigration status** to negatively impact the wage and hour law rights, responsibilities, or proceedings of any employee or worker **is an unlawful act of** intimidation, threatening, coercion, discrimination, and retaliation.

Other Changes:

House Bill 25-1001 also amends the definition of "employer" for purposes of wage and hour laws to include an individual who owns or controls at least 25 percent of the ownership interest in an employer. It also adds an exemption for a minority owner that delegates day-to-day operational authority to an employer.

The law also establishes new penalties for employers found to have misclassified an employee as an independent contractor (or any other way that affects their compensation).

Next Steps:

- Ensure compliance with House Bill 25-1001 by **August 6, 2025**.
- Train supervisors on the changes.

Colorado Amends Paid Family Leave Program

Colorado has enacted legislation that extends the maximum duration of paid family and medical leave for a parent who has a child receiving inpatient care in a neonatal intensive care unit. The change applies to claims for benefits arising on or after January 1, 2026.

The legislation also reduces the premiums collected from each employee used to finance the program starting on **January 1, 2026**.

The Details:

Background:

By way of background, eligible employees in Colorado may receive up to 12 weeks of leave and wage-replacement benefits in a 12-month period for the following purposes:

- To care for their own serious health condition;
- To care for a new child during the first year after the birth, adoption, or placement through foster care of that child;
- To care for a family member with a serious health condition;
- Because of any qualifying exigency arising out of the fact that a family member is on active duty (or has been notified of an impending call or order to active duty) in the armed forces; and
- When the employee or their family member is a victim of domestic violence, stalking, or sexual assault.

Employees with a serious health condition related to pregnancy or childbirth complications may take up to an additional four weeks (16 weeks in total).

Amended Law:

Under the amended law, beginning January 1, 2026, employees will be entitled to take an additional 12 weeks (24 weeks total) in a year if they are a parent who has a child receiving inpatient care in a neonatal intensive care unit.

The legislation also changes the premiums financing the program benefits by extending the current premium amount, 0.9 percent of wages per employee, through 2025 and setting the premium amount for the 2026 calendar year at 0.88 percent of wages per employee. For each subsequent calendar year, the Division of Family and Medical Leave Insurance must set the premium on or before September 1 of the preceding year.

Next Steps:

Colorado employers should review policies and practices to ensure compliance with the changes. Supervisors should also be trained on handling time-off requests under the amended law.

Indiana Protects Employees Who Attend Certain School Meetings

Indiana has enacted legislation that prohibits an employer from taking adverse action against an employee for missing work to participate in a school attendance conference or a case conference committee meeting with respect to the employee's child. The legislation (Senate Bill 409) takes effect **July 1, 2025** and expires **July 1, 2029**, unless extended.

The Details:

Key aspects of the law include:

- A "case conference committee" is defined as a group of individuals who develop the individualized education program for each student with a disability.
- An employee must make a reasonable effort to schedule the conference or meeting as an electronic conference or meeting.
- An employee must provide documentation that they attended a covered conference or meeting.
- An employer isn't required to pay an employee for attending or traveling to/from the covered conference or meeting.

Notably, employees aren't protected from adverse action under the new law if:

- They attend more than one conference or meeting for the calendar year;
- The absence was longer than reasonably necessary to attend and travel to/from the conference or meeting; or
- The employee fails to give at least five days' notice of the need for time off for a covered conference or meeting.

Next Steps:

Indiana employers should review policies and practices to ensure compliance with Senate Bill 409. Supervisors should also be trained on handling time-off requests under the law.

Maryland Delays Paid Family Leave Program Again

Maryland has enacted legislation that will delay for a third time the implementation of a program that will provide job protection and wage-replacement benefits to employees who need time off from work for certain family and medical reasons.

The Details:

By way of background, in 2022, Maryland enacted a law that will entitle employees to job protection and wage-replacement benefits if they need time off from work for certain family and medical reasons. The wage-replacement benefits will be funded by a payroll tax paid by covered employees and employers with 15 or more employees.

The law was subsequently amended in 2023 (by Senate Bill 828) and in 2024 (by Senate Bill 485) to delay implementation and make other changes.

The recently enacted **House Bill 102** delays implementation further and clarifies other aspects of the law.

As Amended by Senate Bill 485	As Amended by House Bill 102
Contributions by covered employees and employers with 15 or more employees would have begun July 1, 2025.	Contributions by covered employees and employers with 15 or more employees will now begin **January 1, 2027**.
Beginning July 1, 2026, employees would have been entitled to begin receiving wage-replacement benefits when they take leave for a covered reason.	By January 3, 2028, employees will be entitled to begin receiving wage-replacement benefits when they take leave for a covered reason. The precise date will be determined by the Maryland Department of Labor — it must be no earlier than January 1, 2027, and no later than January 3, 2028.

Changes to Other Dates:

The delay also affects other dates. For example, the contribution rate for 2027 will now be set by May 1, 2026. For subsequent years, the contribution rate will be set by November 1 of the preceding year.

House Bill 102 also delays optional participation in the program for self-employed individuals until regulations are adopted by July 1, 2028.

The weekly maximum benefit will also be indexed to inflation beginning January 1, 2029, instead of January 1, 2027.

Changes to Definitions:

House Bill 102 also adds the definition of "anchor date." The definition of "anchor date" is the earlier of the date on which: (1) an application for benefits is complete or (2) leave begins for a covered individual for which benefits may be paid.

House Bill 102 alters the definition of "application year" to mean the 12-month period beginning on the Sunday of the calendar week in which the leave begins instead of when benefits are approved.

The definition of a "covered employee" is amended to mean performing services under employment in the state over the four most recently completed calendar quarters for which quarterly reports have been required immediately preceding the anchor date.

A covered employee's average weekly wage must be calculated based on wages in the highest of the previous four completed calendar quarters that immediately precede the anchor date.

Next Steps:

Maryland employers should:

- Prepare to comply with the paid family and medical leave requirements by the updated deadlines.
- Communicate the changes to employees.

Montana Adds Protections for Volunteer Emergency Service Providers

Montana has enacted legislation (House Bill 128), which provides employment protections for certain volunteer service providers and increases communication requirements between the volunteers and their employers. House Bill 128 takes effect on **October 1, 2025**.

The Details:

House Bill 128 prohibits an employer from terminating an employee who has completed their probationary period because the employee:

- Elects to serve as a **volunteer firefighter** or a **volunteer emergency services provider** and is not paid full-time by the entity for which their services are performed in the local service area; or
- Joins a volunteer emergency unit or organization, such as a municipal, rural, or subscription fire department.

Pay Requirements:

Under the law, a non-exempt employee may not claim regular pay for the time they are absent for performing volunteer emergency service duties, and an employer may deduct regular pay for time not worked.

Employee Notice Requirements:

An employee must provide notice to their employer of their status as a volunteer by the following timelines, based on their dates of service.

- For volunteer service occurring before October 1, 2025, an employee must provide **written notice within 30 days of October 1, 2025**.
- After October 1, 2025, an employee who becomes a volunteer must provide written notice **within 30 days of their change of status or within 30 days of hire**.

An employee who will be absent or late to work due to performing their volunteer emergency service duties must provide notice to their employer as soon as possible.

Note: An employer may decide whether an employee may leave work to respond to emergencies.

Employer Notice Requirements:

An employer may require a covered employee to:

- Request and receive prior authorization to respond to an emergency if the employee's absence or delay would jeopardize public safety or prevent the employer from performing an essential function.
- Provide a written statement when they are absent from or late to work due to an emergency from the supervisor of the volunteer emergency service organization. The statement must include the date, time, duration and actuality of the emergency.

Non-retaliation:

An employer that receives written notice cannot terminate an employee for being absent or late for performing volunteer emergency service duties if the employee's probationary period is complete.

Note: Under the law, a probationary period is at least 12 months, but no more than 18 months, from when an employee starts working (depending on whether an employer decides to extend the probationary period).

Next Steps:

Covered employers should review and update their pay, leave, and time-off policies and procedures and train supervisors on the law by **October 1, 2025**.

New York State Expands Child Labor Protections

New York State has enacted legislation (Senate Bill S3006C), which adds child labor protections to the law. The penalties portion for child labor violations is effective immediately, with the changes to certification and working paper requirements of Senate Bill S3006C set to take effect on **May 9, 2027.**

The Details:

Background:

New York Labor Law and guidance from the New York Department of Labor (NYSDOL) have strict requirements for employing minors.

For instance, the following rules apply to minors:

- Restrictions on the types of work they can perform.
- A maximum number of hours they may work per week (dependent on age and whether school is in session).
- Limits for working at night (dependent on the time of year, age and profession).
- Working paper requirements, which include applying in-person through either their school or the New York State Department of Education (NYSED).
- Employers must post a schedule of hours for all minors, including when they start and end and their meal periods.

Senate Bill S3006C:

Penalties:

On **May 9, 2025**, Senate Bill S3006C increased penalties for employers that are found to have violated child labor laws to:

- **First violation:** Up to $10,000
- **Second violation:** $2,000 - $25,000
- **Third and subsequent violations:** $10,000 - $55,000

Note: The penalties for employers who are found to have violated the law, which results in the serious injury or death of a minor employee, are increased to triple the amounts listed above.

Recordkeeping:

The NYSDOL will create an electronic database that confidentially records the employment of minors and issues employment certificates and permits.

Beginning **May 9, 2027** an employer that employs minors must:

- Confirm the minor that presents a certificate is the minor listed in the certificate.
- Register in the database and provide the required information about the business and the minors employed, such as:
  - The employer's name, e-mail, and location(s) of business operations in New York (including locations where a minor will be working);
  - The number and names of minors hired, employed, or otherwise permitted to work for the employer;
  - A certified statement from the employer that they are hiring, employing or otherwise allowing minors to work only in positions permitted by law, rule, or regulation to ensure the minor's health, safety, and well-being.
- Maintain records of employment certificates or permits (electronically or physically) at the place of employment and have the documents accessible for authorized individuals. **Note:** A temporary service employer must keep employment certificates on file and provide copies to each establishment where a minor is assigned to work.
- Destroy physical or electronic copies of a minor's employment certificate upon the minor's termination of employment.

Minor Employees:

- May electronically register in the database and apply for their working papers (previously required in-person filing). **Note:** The New York Labor Commissioner will be responsible for issuing and revoking employment certificates and permits (previously schools held this responsibility).
- Must register in the database and update their employment certificate or permit for each employer.

Next Steps:

- Be aware of the increase in penalties that took effect immediately.
- Review recordkeeping policies and procedures, training supervisors on the requirements of the law by **May 9, 2027**.

New York State Releases Guidance for Retail Workplace Safety and Violence Prevention

The New York State Department of Labor (NYSDOL) has released guidance on the New York Retail Worker Safety Act.

The Details:

Background:

New York enacted legislation (**Assembly Bill A8947C**), which added workplace violence prevention requirements for retail employers. New York also enacted legislation (**Senate Bill S740**) to help clarify these requirements. The workplace violence prevention policy and training requirements are now in effect.

The Guidance:

The NYSDOL has **launched a website** that provides retail employers with policy, training, and frequently asked questions resources to help employers comply with the requirements under the **New York Retail Worker Safety Act**.

Next Steps:

Review the **NYSDOL's website** for guidance on adhering to the **New York Retail Worker Safety Act's** requirements.

Oregon Enacts New Hire Notice Requirements

Oregon has enacted **SB 906** which creates a new hire notice requirement effective **January 1, 2026**.

The Details:

SB 906 requires that Oregon employers provide at the time of hire a written explanation of earnings and deductions required to be shown on itemized pay statements as outlined in **ORS 652.610**. In addition, employers are required to review and update the required information by January 1 of each year.

The legislation stipulates that "an employer may satisfy the requirements…by making the information available to employees in a location easily accessible to them, such as a link to a website, a physical document posted in a central location, a shared electronic file or delivery by electronic mail."

Specifically, the written notice must include general information on the following:

- The employer's established regular pay period.
- All types of pay rates that an employee may be eligible for such as hourly pay, salary pay, shift differentials, piece rate pay and commission-based pay.
- All benefit deductions and contributions.
- Every type of deduction that may apply.
- The purpose of deductions that may be made during a regular pay period.
- Allowances, if any, claimed as part of the minimum wage.
- Employer-provided benefits that may appear on the itemized pay statements as contributions and deductions.
- All payroll codes used for pay rates and deductions, along with a detailed description or definition of each code.

Failure to provide the notice as required is subject to a $500 penalty.

Additionally, SB 906 requires the Oregon Bureau of Labor and Industries (BOLI) to develop and make available to employers a model written guidance document in English and Spanish and, when practicable, translate the notice to other languages, if requested.

Next Steps:

Oregon employers should review the notice requirements enacted under SB 906 and implement the requirements by **January 1, 2026**.

Washington State Amends Pay Transparency Law

The State of Washington has enacted legislation (Senate Bill 5408), which amends its Equal Pay and Opportunities Act. Senate Bill 5408 takes effect on **July 27, 2025**.

The Details:

In 2023, the State of Washington began requiring employers with 15 or more employees **to provide salary transparency** in their job postings.

Senate Bill 5408:

Senate Bill 5408 amends the **Washington Equal Pay and Opportunities Act** to:

- Allow an employer to provide a fixed rate in job postings when only a fixed rate is offered;
- Not penalize employers for republished job postings from third-party websites that are added without the employer's consent; and
- Provide an employer (from July 27, 2025 to July 27, 2027), who is notified in writing about a non-compliant job posting, five business days to fix the posting before facing penalties. See **the text of the law** for further information on the amended penalties.

Next Steps:

Review job posting policies and procedures and train supervisors on the **changes to the law** by July 27, 2025.

Washington State Clarifies Employee Access to Personnel Records and Termination Information

The State of Washington has enacted legislation (Substitute House Bill (SHB) 1308), which provides guidance on employee requests for personnel records and termination information. SHB 1308 takes effect on **July 27, 2025**.

The Details:

Background:

The State of Washington requires all employers to adhere to the following regarding **personnel records**:

- Allow employees protected under the **Industrial Welfare Act** (including former employees) to, at least annually, **inspect their personnel file upon request**.
- **Make the personnel file available locally** at the location where the requesting employee works or at a mutually convenient location agreed upon between employer and employee within a reasonable period of time (**generally 10 business days**) after the employee's request.

Employees may:

- Petition their employer to review their personnel file to determine if their file contains irrelevant or erroneous information and remove that information; and
- Include a rebuttal or correction in their file if they disagree with their employer's determination.

Personnel Records:

SHB 1308 redefines what constitutes a personnel record:

Before July 27, 2025	On or after July 27, 2025
Records regularly maintained by the employer as part of the business records or those that are subject to reference for information given to individuals outside of the company, which generally include, but are not limited to: • Records of employment and such other information required for business or legal purposes; • Documents containing employees' qualifications; • Verification of completed training; • Signed job descriptions; • Supervisor's files; • All performance evaluations; • Salary, sick and vacation leave hours; • Letters of commendation or reprimand; and • Summaries of benefits (and other similar information).	All of the following: • Job application records; • Performance evaluations; • Non-active or closed disciplinary records; • Leave and reasonable accommodation records; • Payroll records; and • Employment agreements. **Note:** An employer is not required to create records it does not have.

Employer Requirements:

SHB 1308 requires employers to provide the following within 21 calendar days of a current employee, former employee (separated within three years of the date of their request), or their designee's written request:

- A free copy of the personnel file.
- A signed written statement to the requestor stating the effective date of discharge and whether there was a reason for the employee's discharge. Employers must state a reason for discharge (provided one exists).

Penalties:

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

Next Steps:

Washington employers should update their personnel record policies and procedures and train supervisors and administrative personnel on the new requirements by **July 27, 2025**.

Washington State Modifies Hospital Workers Meal and Rest Break Requirements

Washington Governor Bob Ferguson has signed House Bill 1879 (HB 1879) into law, which modifies meal and rest break requirements for hospital workers. The law takes effect **January 1, 2026**.

The Details:

Under current law as outlined in **Administrative Policy HLS.A.2.**, the meal and rest break periods requirements are as follows:

- An employee working more than five hours must receive a 30-minute meal period between the second and fifth hour of work.
- A second, 30-minute meal period must be given within five hours of the end of the first meal period, and for each five hours worked thereafter.
- An employee working five consecutive hours or fewer would not need to be provided a meal period.
- Employees may choose to waive the meal period requirements. If an employee wishes to waive a meal period, the department recommends obtaining a written request from the employee who chooses to waive the meal period. If, at a later date, the employee wishes to receive a meal period, any agreement would no longer be in effect. An employer can refuse to allow the employee to waive the meal period and require that an employee take a meal period.
- Employees must receive a rest period of at least ten minutes for each four hours of work.

Effective January 1, 2026, the following modifications will be in effect:

An employer and employee may agree to waive:

- The meal period, if any, in a work shift of less than eight hours; or the second and/or third meal period in a work shift of eight hours or longer, so long as at least one meal period is provided and taken during the shift.
- An employer and employee may also agree to waive timing requirements for meal and rest periods, so long as the meal period starts no earlier than the third hour worked and no later than the second-to-last hour scheduled.
- Any waiver must be in writing or in electronic recordkeeping format. The employer must record the signed waiver in the applicable electronic information management system, and ensure the record is retrievable upon request.
- Any waiver must be voluntary, and the employer must expressly advise the employee that it is voluntary.
- The waiver must be agreed to by the employer and employee in advance of the first shift in which it is relied upon.
- Any waiver may be revoked at any time by the employer or employee.

Next Steps:

Washington State hospital worker employers should review the modifications enacted under **HB 1879** and implement any necessary changes to their processes regarding meal and rest break requirements for their workers.

Washington State Requires Notice Before Certain Layoffs

The State of Washington has enacted legislation (Senate Bill 5525, Securing Timely Notification and Benefits for Laid-Off Employees Act (the Act)), which adds employer requirements surrounding mass layoffs and business closures. The Act is set to take effect on **July 27, 2025**.

The Details:

The Act requires a Washington employer with 50 or more employees to provide at least 60 days' advance notice to employees, unions and the state for the following events that result in employment losses of 50 or more employees:

- **A mass layoff:** A workforce reduction during a 30-day period (the reduction may span multiple sites of employment in the state) that is not the result of a business closing; or
- **A business closure:** A permanent or temporary shutdown of a single site of employment of one or more facilities or operating units. The law may allow employers to close individual facilities or operating units within a single site of employment (even if 50 or more employees are affected) without triggering the law provided:
    - The entire single site of employment is not closed; and
    - The layoffs are spread out so that a mass layoff is not triggered in a 30-day period.

Note: The Act does not include part-time employees who work an average of fewer than 20 hours per week and employees who are employed for fewer than six of the 12 months prior to the date on which notice is required. See the **text of the law** for further details.

An employer cannot order a business closing or a mass layoff until the end of the 60-day period that begins after the employer provides the required notice to all required parties.

Notice Requirements:

Unless an exception applies, an employer must provide written 60 days' notice of a qualifying event to unrepresented employees, unions and the State Employment Security Department (ESD) that contains:

- Requirements under the **Federal WARN Act**.
- The name and address of the employment site where closing or mass layoff will occur.
- The name and contact information of a company official to reach out to for further information.
- A statement on whether the planned action is expected to be permanent or temporary (or if the entire business is to be closed, a statement to that effect). **Note:** If the planned action is expected to be temporary, the statement must also include whether the planned action is expected to last longer or shorter than three months.
- The expected date of the first employment loss and the anticipated schedule for employment losses.
- The job titles of the positions that will be affected and the names of the employees currently holding the affected jobs. (The notice to the state department must also include the addresses of the affected employees).
- A statement on whether the layoff or closing results from (or will result in) the relocation of, or contracting out of, an employer's operation or the impacted employees' positions.

An employer must also provide notice:

- Of the date or schedule of dates of a planned business closing or mass layoff extended beyond the date of any period announced in the original notice; and
- When an exception only applies for part of a 60-day notice period (or no longer applies). See the **text of the law** for further details.

Exceptions:

Under the Act, an employer is not required to comply with the notice requirement for exceptions such as a faltering company, an unforeseeable business circumstance or a natural disaster. Employers will need to substantiate this exception to the state.

In addition, unless an exception applies, an employer may not include any employee on **Washington Paid Family and Medical Leave** in a mass layoff. See the **text of the law** for further details.

Note: This protection does not apply to business closings or to leave other than **Washington Paid Family and Medical Leave**.

Penalties:

Employers found to have violated the law may face penalties. The Act contains a three-year statute of limitations.

Next Steps:

- Review requirements under **the Act** and the **Federal WARN Act** by **July 27, 2025**.
- Update policies and procedures and prepare in advance for layoffs and business closures.
- Train supervisors and personnel and consult legal counsel before a layoff or business closure.

Local

Cleveland, Ohio Enacts Pay Transparency Law

Cleveland, Ohio, has passed an ordinance (**Ordinance 104-2025**) that bans an employer from inquiring about an applicant's salary history and requires employers to include salary ranges and scales when advertising job openings. Ordinance 104-2025 takes effect on **October 27, 2025**.

The Details:

Pay Transparency Requirements:

The Ordinance requires an employer with at least 15 employees working in Cleveland to provide the salary range or scale (including wages, commissions, hourly earnings, and other monetary earnings such as benefits) in all notification, advertisement or other formal job postings that offer the opportunity for all occupations, vocations, jobs and work.

Note: The Ordinance covers temporary, seasonal, part-time, contracted, contingent, commission, and temp work, but does not cover independent contractors.

Salary History Protections:

The Ordinance also prohibits employers from taking the following actions against applicants applying for work within the city:

- Screening based on their current or prior compensation, or requiring them to satisfy minimum or maximum criteria;
- Inquiring about their compensation history by:
  - Communicating a direct or indirect statement, question, prompting or other communication (orally or in writing and personally or through an agent) to gather information from or about an applicant; or
  - Conducting a search of publicly available records or reports for the purpose of gathering information from or about an applicant.
  - **Note:** An employer may inform an applicant (in writing or otherwise) about the position's proposed or anticipated salary and may engage in discussions with the applicant about their salary expectations.
- Relying solely on their compensation history in deciding whether to offer employment or determining compensation during the hiring process (unless authorized under federal, state or local law); or
- Refusing to hire or otherwise retaliate against those who refuse to disclose their compensation history.

Note: Salary history does not include any objective measure of an applicant's productivity, such as revenue, sales, or other production reports.

Exceptions:

The Ordinance requirements do not apply to:

- Internal transfers, promotions, or rehires (provided the employer already has salary history from the applicant's prior employment);
- An applicant's voluntary, unprompted disclosure of their salary history;
- Obtaining an applicant's salary history:
  - Related to a background check
  - While verifying non-compensation information (so long as an employer does not rely solely on salary history to set the applicant's compensation); and
- Jobs where workers' pay is subject to collective bargaining.

Enforcement:

Employers that are found to have violated the law may face increasing penalties. See the Ordinance for further details.

Next Steps:

Review pay policies and procedures and train supervisors on the **Ordinance's requirements** by **October 27, 2025**.

New York City Expands Employee Earned Safe and Sick Time Protections

New York City has **amended rules** under the Earned Safe and Sick Time Act (ESSTA) relating to paid personal prenatal leave. The new rules are effective **July 2, 2025**.

The Details:

Background:

The New York State Paid Prenatal Leave entitlement went into effect on January 1, 2025 and New York employers' paid prenatal leave obligations were historically determined by the state law.

New York City recently amended the Earned Safe and Sick Time Act ("ESSTA") Rules (the "amended rules"). The amended rules include paid prenatal leave requirements that incorporate and enhance New York State prenatal leave protections. The amendments go into effect on July 2, 2025.

Amended Rules:

The amended rules include several changes and new employer obligations related to prenatal leave, including but not limited to the following:

- **Amount of Leave:** Employers that employ workers in New York City must provide a separate bank of 20 hours of paid prenatal leave.
- **Carryover Requirements:** Paid prenatal leave does not carryover from year-to-year, but can be used for more than one pregnancy during the 52-week period.
- **Overtime Clarification:** An employer is not required to pay the overtime rate of pay when an employee uses paid prenatal leave during hours that would have been designated as overtime.
- **Policy Requirements:** The existing obligation to create and distribute a policy related to ESSTA is expanded to require that the policy addresses paid prenatal leave entitlements. Employers must distribute their written safe and sick time and paid prenatal leave policies to employees personally upon hire and within 14 days of the effective date of any policy changes and upon an employee's request. Therefore, all New York City employers have an obligation to modify their current policy and re-issue the revised policy to current employees.
- **Employee Notice of Rights – Distribution and Posting Requirements:** The New York City Department of Consumer and Worker Protection (DCWP) has issued an **updated Notice of Employee Rights** that includes paid prenatal leave requirements. The updated notice must be provided to new hires and to current employees when rights change (which applies here), and employers must maintain a record of receipt by the employee. The notice also must be posted.
- **Pay Statement Requirements:** An employer must give an employee the following information in writing, either on a pay statement or other form of written documentation for each pay period that an employee uses paid prenatal leave:
    - The amount of paid prenatal leave used during the pay period; and
    - The total amount of paid prenatal leave still available to use in the 52-week period.

Note: Under updated agency **FAQs** (FAQ Number 6), this information can be provided by an electronic system in certain instances. This requirement is similar to the existing requirement for notice of paid sick and safe time.

Next Steps:

- Review the **amended rules** for complete details.
- Review and update leave and pay policies and procedures.
- Train supervisors on the amended rules by **July 2, 2025**.

Philadelphia Clarifies Paid Sick Leave Rate of Pay for Tipped Employees

The City of Philadelphia has enacted legislation (Bill Number 250065), which clarifies how to calculate the paid sick leave rate of pay for tipped employees.

The Details:

Background:

The Promoting Healthy Families and Workplace Act (the "Act") requires certain Philadelphia employers to provide employees who work in Philadelphia at least 40 hours a year with paid sick leave. Under the Act, an employee accrues one hour of sick leave for 40 hours worked, which includes any overtime. Exempt administrative, executive or professional employees accrue sick leave based on their normal workweek or a 40-hour workweek, whichever is less.

Employees are permitted to use 40 hours of paid sick time for:

- An existing health condition requiring diagnosis, care, or treatment;
- Preventative care; or
- Issues related to an employee being a victim of domestic violence, sexual assault, or stalking.

Bill Number 250065:

Under the law, to calculate the hourly rate of pay for paid sick time for a tipped employee (an employee who customarily and regularly receives more than $50 per month in tips from the same employment), use the numerical average of the hourly wage for "Bartenders," "Waiters & Waitresses," and "Dining Room & Cafeteria Attendants & Bartender Helpers" as defined under the Standard Occupational Classification Code and as published for Philadelphia County by the Pennsylvania DOL.

Next Steps:

Review and update pay policies and procedures for calculating tipped employees' sick leave rate of pay to ensure compliance with Bill Number 250065.

Minimum Wage

Minimum Wage Announcements– 5/21/25-6/20/25

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?
Alameda, CA	$17.46	$17.46*	7/1/25	Yes
Long Beach (Hotel Workers)	$25.00	$25.00*	7/1/25	Yes
Long Beach (Concessionaire Workers)	$18.58	$18.58*	7/1/25	Yes
Los Angeles, CA (City) – Hotel and Airport Workers	$22.50	$22.50*	7/1/25	None Located
Malibu, CA	$17.27	$17.27*	7/1/25	Yes
Santa Monica, CA – Hotel Workers	$22.50	$22.50*	7/1/25	Yes
Chicago, IL (4 or more EEs)	$16.60	$12.62	7/1/25	Yes
Cook County, IL	$15.00	$9.00	7/1/25	Yes

*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**.

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