

Eye on State and Local Compliance

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

December 16, 2025



State/Territory/District

Alaska Issues Final Rules Implementing Paid Sick Leave Law

The Details:

Alaska has published final regulations implementing the state's paid sick leave law.

Background:

Under the voter-approved ballot measure, employers in Alaska are required to provide their employees with paid sick leave as follows:

- Employers with 15 or more employees must allow employees to accrue a minimum of one hour of paid sick leave for every 30 hours worked, but employees aren't entitled to accrue or use more than 56 hours of paid sick leave per year, unless their employer sets a higher limit.
- Employers with fewer than 15 employees must allow employees to accrue a minimum of one hour of paid sick leave for every 30 hours worked, but employees are not entitled to accrue or use more than 40 hours of paid sick leave per year, unless their employer sets a higher limit.

The requirement went into effect on July 1, 2025.

Final Regulations:

On September 25, 2025, Alaska's Department of Labor and Workforce Development (DOLWD) issued final regulations implementing the law. The regulations address several areas that were left unaddressed or unclear by the law, including but not limited to the following:

Determining Employee Count:

To determine the amount of paid sick leave accrual (56 or 40 hours), the final regulations require the employer to calculate the number of Full-Time Equivalents (FTEs) employed during the previous calendar year by adding the total number of hours worked by all part-time and full-time employees during the calendar year and dividing the sum by the maximum amount of regular hours for a full-time employee during the time period.

If a business didn't operate in the previous calendar year, the employer must initially calculate FTEs based on the first three months of operation during the current calendar year, and must thereafter recalculate FTEs on a quarterly basis until a calendar year calculation can be completed.

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Rate of Pay During Leave:

The law didn't address the rate at which employees must be paid during paid sick leave.

The final regulations require that employers pay an employee who uses sick leave at the employee's "regular rate of pay" or the applicable minimum wage, whichever is greater. The final regulations also require employers to calculate the "regular rate of pay" for the leave using the same state rules that apply to overtime pay, as amended (8 AAC 15.100). See the [text of the regulations](#) for details.

Accrual Year:

Under the final regulations, employers must establish a consecutive 52-week period for purposes of calculating an employee's annual accrual of paid sick leave. If an employer fails to specify an accrual year, an employee must accrue paid sick leave on a calendar year basis. This requirement doesn't apply if the employer frontloads the leave (see below).

Carryover:

Under the law, accrued, unused paid sick leave must carryover to the following year, but an employer isn't required to allow an employee to use more than the amounts described above (56 or 40 hours depending on employer size).

Frontloading:

The voter-approved law didn't address whether employers may provide a lump sum of paid sick leave each year instead of using the accrual method, a practice commonly known as frontloading, and whether carryover would be required in such situations (if allowed).

The final regulations expressly allow employers to frontload paid sick leave. The final regulations also make clear that an employer that frontloads paid sick leave isn't required to carryover unused leave to the following year.

An employer may prorate the amount of annual paid sick leave assigned to an employee who is employed less than a year.

If an employer frontloads paid sick leave, the employer must assign to a full-time employee at least the minimum amount of annual sick leave, and to a regular part-time employee no less than the calculated amount of sick leave that the employee would accrue in a year based on the employee's normally scheduled hours.

An employer may assign to an irregular part-time employee an amount of sick time based on the employee's average past hours worked.

An employer must increase the assigned paid sick leave of a part-time employee who would be entitled to accrue more leave than the employer assigns to them, based on the number of hours the employee actually works in a year.

Voluntary Cash-Out:

Under the final regulations, an employer may have a written policy that allows an employee to cash out the employee's accrued, unused paid sick leave during the course of the employee's employment or if the employee separates from employment if:

- The employee is given the option to:
 - o Take the cash payment instead of carrying over the yearly accrual; or
 - o Maintain the paid sick leave balance in case the employee returns to employment within six months of separation; and
- The employee acknowledges and voluntarily accepts the cash-out of sick leave in writing.

Employer Notice:

The voter-approved law requires employers to give employees a written notice with certain information about the paid sick leave law at the commencement of employment. Employers were required to provide the notice to existing employees earlier this year.

The final regulations specify that the notice include the following.

- The employee's entitlement to paid sick leave when employment begins;
- The rate at which the employee will accrue paid sick leave;
- The authorized purposes under which an employee may use paid sick leave;
- The employer's intention to use a paid time-off program to meet the requirements, if applicable (see below);
- Other reasonable notice or verification requirements for the employee when using paid sick leave (see below); and
- Notice that retaliation by the employer for the employee's lawful use of paid sick leave and other rights provided is prohibited.

The final regulations allow employers to comply with the requirement by:

- Distributing the written notice to each employee personally, by United States mail, e-mail, or including the notice in an employee's paycheck;
- Incorporating the written notice into a handbook or manual made available to employees, whether in a print or electronic format; or
- Posting the written notice in a conspicuous and accessible location in each workplace of the employer.

Existing Paid Leave Policies:

Under the voter-approved law, any employer with a paid leave or paid time off policy that makes available an amount of paid leave sufficient to meet the requirements of the law that may be used for the same purposes and under the same conditions as paid sick leave under the law isn't required to provide additional paid sick leave.

The final regulations further provide that paid time off provided to an employee through another paid leave or paid time off policy satisfies the requirement to provide paid sick leave only if:

- The policy meets the requirements of the paid sick leave law;
- The employer notifies the employee that the policy will be utilized to meet the paid sick leave requirements;
- Paid time off accrues at a rate of no less than one hour for every 30 hours worked as an employee; and
- An employee may utilize accrued paid time off in the bank on the same terms for the purposes authorized by the paid sick leave law.

Employee Notice and Verification:

Under the voter-approved law, when the need for paid sick leave is foreseeable, the employee must make a good faith effort to provide notice to the employer in advance of the use of paid sick leave and make a reasonable effort to schedule use of paid sick leave in a manner that doesn't unduly disrupt the employer's operations.

The final regulations limit employers to requiring no more than 10 calendar days' advance notice for a foreseeable absence.

For an unforeseen absence, the employee must notify the employer before the start of the employee's shift or as soon as is possible, depending on the circumstances.

Under the voter-approved law, if an employee uses sick leave for more than three consecutive scheduled workdays, an employer may require the employee to provide reasonable documentation to verify the employee's need for the paid sick leave.

The final regulations further require that, to maintain such a verification requirement, an employer must include it in the employer's sick leave policy and provide the paid sick leave policy to the employee.

Employers are prohibited from requiring that the verification explain the nature of the employee's illness or details related to domestic violence, sexual assault, harassment, or stalking that necessitated the employee's use of paid sick leave. Days that an employee isn't scheduled to work aren't included in the calculation of three consecutive scheduled workdays.

Pay Statements:

By way of background, Alaska requires employers to provide employees with a written or electronic statement of earnings and deductions for each pay period. The paid sick leave law didn't address whether such statements must include information about paid sick leave.

The final regulations expressly require employers to also include the following information in such statements:

- Paid sick leave used by the employee in the accrual year; and
- The employee's paid sick leave balance.

Next Steps:

- Read the [final regulations in full](#).
- Review paid sick leave policies and practices to ensure compliance with the regulations.

California Raises Minimum Pay for Overtime Exemptions for 2026

The Details:

The California Department of Industrial Relations (DIR) has announced an increase in the pay rates that computer software employees and physicians must receive in order to be exempt from overtime. Additionally, the minimum salary required for the administrative, professional, and executive overtime exemptions will also increase. **These new rates take effect on January 1, 2026.**

Background:

Computer Software Employees and Physicians:

Under the California Labor Code Sections 515.5 and 515.6, computer software employees and physicians are exempt from the state's overtime requirements if they meet specific duties requirements and earn a minimum pay rate. These pay thresholds are adjusted annually for inflation.

Administrative, Executive, and Professional Employees:

California also has exemptions for bona fide administrative, professional, and executive employees. To be exempt from overtime, these employees must meet certain state salary and duties tests. They must be paid a salary of at least twice the state minimum hourly wage based on full-time employment of 40 hours per week. Since the state's minimum hourly wage will increase to \$16.90 per hour on January 1, 2026, regardless of how many employees the employer has, the minimum salary threshold for these exemptions will also increase.

Computer Software Employees: <https://www.dir.ca.gov/OPRL/ComputerSoftware.htm>

Computer software employees may be paid on an hourly or a salary basis in order to qualify for exemption from California's overtime requirements. Beginning January 1, 2026, these employees must earn at least:

- **\$58.85** per hour (for all hours worked); or
- A monthly salary of **\$10,214.44**; and
- An annual salary of **\$122,573.13**

Physicians: <https://www.dir.ca.gov/OPRL/Physicians.htm>

To qualify for exemption from the state's overtime requirements in 2026, licensed physicians and surgeons are required to earn an hourly wage of at least **\$107.17**.

Administrative, Professional, and Executive Employees:

For the administrative, professional, and executive exemptions, employers must pay a salary of at least **\$1,352** per week, or **\$5,858.67** monthly, or **\$70,304** annually beginning January 1, 2026.

Next Steps: California employers with exempt employees should ensure that they meet the applicable salary and duties tests. Otherwise, these employees must be classified as non-exempt and are entitled to overtime.

Nevada Aligns with Portal-to-Portal Act and Clarifies Weekly Overtime Calculations

The Details:

Nevada has passed legislation that expressly incorporates key provisions of the federal Portal-to-Portal Act into state law and clarifies weekly overtime calculations. The effective date is **November 20, 2025** and has an expiration date of October 31, 2029.

Background:

As background, the federal Portal-to-Portal Act:

- Amended the federal Fair Labor Standards Act (FLSA) to clarify that certain activities performed by employees before and after their primary work duties are not considered hours worked and are unpaid; and
- Exempts time spent traveling to and from an employee's actual place of performance of work from being paid.

Senate Bill 8:

- Certain activities specified under the Portal-to-Portal Act and the FLSA are now expressly considered non-compensable under Nevada state law. See the [text of the law](#) for further details; and
- An employer must compensate an employee for their time spent changing into or out of a uniform (when the employee is prohibited from wearing a uniform or PPE from home).

Overtime Calculation Clarification:

Additionally, Senate Bill 8 clarifies the calculation for the weekly overtime of an employee receiving compensation at no less than one-and-a-half times minimum wage.

The amended law states that the compensation is subject to certain federal regulations related to principles for computing overtime pay based on the regular rate adopted under the FLSA. See the text of the law for further details.

Next Steps: Nevada employers should review their pay policies and procedures and train supervisors on the changes under the law.

New Hampshire Adds Employee Protections for Military Spouses

The Details:

New Hampshire has enacted legislation (House Bill 225), which adds certain employment protections for military spouses along with the [federal Uniformed Services Employment and Reemployment Rights Act \(USERRA\)](#). House Bill 225 takes effect **January 1, 2026**.

Covered Employees:

The law covers a New Hampshire employee who is legally married to a member of the uniformed services, when their spouse is involuntarily mobilized (ordered, called-up, or activated as a member of the uniformed services, including state active duty), in response to a declaration of war, national emergency, or contingency operations. See the [text of the law](#) for further details.

Covered Employers:

The law defines covered employers as those with 50 or more employees at the same location in New Hampshire. For purposes of counting employees, the employee counts of separate employers are not combined, regardless of common ownership.

Employee Protections:

Covered employers:

- Cannot discharge, refuse to hire, or take adverse employment action against an employee based on the involuntary mobilization of the employee's spouse.

- Must reemploy the employee in the position (or a similar position in seniority, status, and pay for which the employee is qualified) for the same duration of time the employee's spouse would have reemployment rights under applicable federal law. **Note:** The employer may elect not to reemploy the employee if the employer certifies that circumstances have changed to make reemployment impossible or unreasonable.

Additionally, an employer is not required to pay an employee for their leave of absence due to the involuntary mobilization of their spouse, and the employer may decide whether to provide benefits or let benefits accrue during the leave.

Employee Notice:

Under the law, an employee must:

- Notify their employer within 30 days of their spouse receiving official notice of the involuntary mobilization.
- Report to or submit a timely application for reemployment to their employer upon the spouse's completion of mobilization.

Employer Notice:

An employer must provide the employee with a written acknowledgment of the notice of deployment.

Penalties:

An employee who believes their employer violated the law may file a complaint with [the New Hampshire Department of Labor](#) within 180 days of the alleged violation. An employer found to have violated the law may be required to reinstate the employee, and provide back pay, and benefits lost due to the violation. See [the text of the law](#) for further details.

Next Steps:

Covered New Hampshire employers should review and update their policies and practices by **January 1, 2026**.

Pennsylvania Strengthens Hairstyle Non-Discrimination Protections

The Details:

Pennsylvania has enacted legislation (House Bill 439), which amends the [Pennsylvania Human Relations Act \(PHRA\)](#) to expand the definition of race to include traits historically associated with race, including hair texture, protective hairstyles, and head coverings and hairstyles historically associated with religious creed. The effective date is **January 24, 2026**.

Background:

In 2023, the Pennsylvania Independent Regulatory Review Commission passed [regulations to the Pennsylvania Human Relations Act \(PHRA\)](#), which provided new definitions of race, sex and religious creed, and helped to protect against hairstyle discrimination.

House Bill 439:

On **January 24, 2026**, the following PHRA terms and definitions will be amended to expressly protect against hairstyle discrimination:

- Race will include traits historically associated with the individual's race, including hair texture and protective hairstyles;
- Protective hairstyle will include, but not be limited to, hairstyles such as locs, braids, twists, coils, Bantu knots, afros and extensions; and
- Religious creed will include head coverings and hairstyles historically associated with religious creeds.

Exceptions:

A Pennsylvania employer may adopt and enforce a valid workplace health and safety rule or policy (or other rule or policy justified as a bona fide occupational requirement) impacting traits historically associated with the individual's race or head coverings or hairstyles historically associated with the individual's religious creed, when the rule or policy:

- Is adopted for nondiscriminatory reasons;
- Is specifically tailored to the applicable position and activity;

- Is applied equally to individuals whose positions fall under the applicable position and activity; and
- Will help prevent the impairment of an employee or other substantially connected individual's health or safety.

A Pennsylvania employer may also adopt and enforce a valid workplace policy to prevent a hostile work environment if the policy is adopted for nondiscriminatory reasons and is applied equally.

Next Steps: Pennsylvania employers should review dress codes, appearance policies, and training to avoid restrictions on hairstyles historically associated with race by **January 24, 2026**.

Rhode Island Adds Human Trafficking Prevention Training Requirements

The Details:

Rhode Island has enacted legislation (House Bill 5563), which requires hotel employees and operators of short-term rental listings to receive annual human trafficking awareness training. House Bill 5563 takes effect on **January 1, 2026**.

House Bill 5563:

House Bill 5563 requires all hotel employees and every operator of a short-term rental property in Rhode Island to receive human trafficking awareness training:

- Within 180 days of employment or the first listing (of a short-term rental property on a hosting platform); and
- After the first year of employment or listing, annual human trafficking awareness training must be received no later than December 31.

Note: Short-term rental property is defined as a residential unit used or offered for tourist or transient use through a hosting platform. See the [text of the law](#) for further details.

Operators of a hotel or short-term rental property in Rhode Island must also implement procedures and adopt policies for the reporting of suspected human trafficking to the national human trafficking hotline or to a local law enforcement agency.

Training Requirements:

Under the law, human trafficking awareness training is training established or approved by [the Department of Business Regulation](#) (DBR) that includes, but is not limited to, the following:

- The definitions of human trafficking and commercial exploitation of children;
- Guidance on how to identify: individuals at risk for trafficking, the signs of trafficking, and individuals potentially engaged in the act of trafficking;
- Differences between labor and sex trafficking, specific to the hotel sector;
- Guidance on hospitality employees' roles in reporting and responding to this issue;
- The contact information for:
 - o The national human trafficking hotline toll-free number; and
 - o The local law enforcement agency (text line may also be used).

Recordkeeping:

All individuals who operate a hotel or short-term rental property must:

- Maintain records of employee or operator training;
- Keep the records on file:
 - o While the employee is employed by the establishment or the operator manages the short-term rental property listing; and
 - o For one year after such employment or operation ends; and
- Provide the records to [the Department of Business Regulation](#) (DBR) within a reasonable amount of time, but no later than 10 business days, after a written request is made.

Next Steps: Employers should review training policies and practices and train managers on the changes.

Washington State 2026 Overtime Salary Threshold Announced

The Details:

The Washington Department of Labor & Industries (WDOL) has [announced](#) an increase to the state's white collar overtime exemption salary threshold.

Effective January 1, 2026, the Washington white collar overtime exemption salary threshold will be \$1,541.70 per week or \$80,168.40 per year. This equates to 2.25 times the 2026 state minimum wage of \$17.13 per hour.

The WDOL also announced that in order to qualify for the overtime exemption, computer professionals employed by businesses (regardless of size), must earn a salary of at least 3.5 times the minimum wage (at least \$59.96 per hour in 2026).

Next Steps: As of January 1, 2026, Washington State employers must pay white collar workers and computer professionals paid hourly at least the amounts noted above, or pay the employees overtime pay for any hours worked over 40 in a week.

Washington State Updates Paid Family and Medical Leave Rate and Reminds Employers about Other Changes in 2026

The Washington State Employment Security Department (ESD) has announced a new Paid Family and Medical Leave (PFML) premium rate beginning January 1, 2026. ESD also reminds employers about other PFML impacts occurring **in 2026**.

The Details:

Premium Increase:

Starting on January 1, 2026, the total premium rate will rise to 1.13 percent of each employee's gross wages, up from 0.92 percent in 2025. Employers will contribute 28.57 percent of the total premium, while employees will pay 71.43 percent. Businesses classified by the ESD as having fewer than 50 employees for the 2025 calendar year are not required to pay the employer portion of the premium. However, such employers must still collect the employee premium or pay employees' premiums on their behalf.

Other Impacts:

Employers are also reminded of additional impacts starting on January 1, 2026 due to legislative changes. These changes include:

- **Job Protection:** Enhances job protection for employees taking Paid Leave from employers with 25 or more employees.
- **Health Care Benefits:** Clarifies when employers are required to maintain health care benefits for employees taking job-protected Paid Leave.
- **Paid Leave and FMLA Concurrence:** Provides information to help employers manage job protection when an employee is eligible for both Paid Leave and FMLA.
- **Weekly Claim Minimums:** Reduces the minimum amount of time an employee must miss in a week to be eligible for Paid Leave from eight hours to four hours.
- **Small Business Assistance Grants:** Expands Paid Leave's grant program to help small employers with costs related to employees on leave.

Next Steps:

- ESD indicates that employers should make employees aware of the new rate change and ESD will be updating its [employer toolkit](#) to include an updated poster in December.
- ESD also reminds employers that starting on January 1, 2026, the new premium rate must be collected each pay period from employees' total gross wages, not including tips.
- Once an employee meets the Social Security cap, collection must stop, but wages continue to be reported. The Social Security cap for the 2026 calendar year will increase to \$184,500.
- First quarter premiums using the new rate are due by the end of April 2026. Premiums from employees cannot be retroactively withheld.
- Review the details on these impacts [here](#) and contact your ADP service professional if you have any questions.

Local

Cuyahoga County, Ohio Bans Hairstyle Discrimination

The Details:

Cuyahoga County, Ohio, has enacted legislation (Ordinance O2025-0004) that bans discrimination on the basis of an individual's hair texture or style commonly associated with a particular race or national origin. The ordinance is **effective immediately**.

Ordinance O2025-0004:

The ordinance prohibits employers from discriminating against an individual based on hair texture or hairstyle that is commonly associated with a particular race or national origin (including, but not limited to, a hairstyle in which hair is tightly coiled or curled, locs, cornrows, twists, braids, Bantu knots and afros).

Note: Employers may enforce health or safety standards that are applied equally and not designed or used as a pretext for discrimination on the basis of hair texture or hairstyle.

Next Steps:

Cuyahoga County employers should review dress codes, appearance policies, and training to avoid restrictions on hairstyles historically associated with race.

Columbus, Ohio Requires Pay Transparency

The Details:

The City of Columbus, Ohio has enacted legislation (Ordinance 2898-2025) that builds on a requirement banning employers from inquiring about an applicant's salary history and will require employers to post a salary range in each job posting. The Ordinance takes effect on December 3, 2025, but the job posting requirements will not be enforced until **January 1, 2027**.

The Ordinance:

As background, Columbus, Ohio [currently prohibits](#) businesses with at least 15 employees in the city from asking job applicants about their salary history or using such information to make hiring and pay decisions.

Beginning January 1, 2027, covered employers may also face penalties for failing to include reasonable, good-faith salary ranges in job postings.

Job Posting Requirements:

The Ordinance requires covered employers to provide a reasonable salary range or scale in job postings. The law defines "job postings" as solicitations intended to recruit applicants for a specific available position, including postings done electronically, or with a printed hard copy, that contain a description of the position and/or qualifications for desired applicants.

Note: Job postings do not include solicitations for recruiting applicants that are replicated and published without the employer's consent.

The reasonableness of a salary range or scale will be based on factors specific to the available position, including:

- The flexibility of the employer's budget;
- The anticipated range of experience job applicants may have;
- The potential variation in the responsibilities of the position;
- The opportunities for growth in and beyond the position;
- The cost of living for the various locations in which an applicant may work; and
- Market research on comparable positions and salaries.

Exception:

The job posting requirements do not apply to postings for positions that involve internal transfers or promotions within an organization.

Next Steps:

Employers should review hiring and pay policies and practices, and train HR and hiring managers on the changes.

Minneapolis Amends Sick Leave Law

The Details:

Minneapolis has enacted amendments effective December 31, 2025 to its sick leave law. Many of the changes are intended to align city requirements with state requirements.

Background:

Since July 1, 2017, Minneapolis has required employers in the city to provide sick leave to employees. Under that law, employers with six or more employees (regardless of location) must provide paid sick leave. Smaller employers must also provide sick leave, but it may be unpaid.

In 2024, Minnesota began enforcing its own statewide paid sick leave law, which differed from the city's in important ways. Significantly, with few exceptions, the Minnesota law requires all employers to provide paid sick leave.

Ordinance No. 2025-041:

Effective December 31, 2025, Ordinance No. 2025-041 amends the city's sick leave requirement. Many of the changes are intended to align the city's law with the state's law. Here is a summary of some of those provisions:

Paid Leave Required and Base Rate Defined:

The amended law aligns with the state's paid leave requirement. The amended law also requires employers with covered employees to compensate employees at the same hourly rate with the same benefits as employee's "base rate" for the hours the employee was scheduled to work during the time the employee uses their paid sick leave.

The amended law defines "base rate" as:

- For employees paid on an hourly basis, the same rate they received per hour of work;
- For employees paid on an hourly basis who receive multiple hourly rates, the rate the employee would have been paid for the period of time in which leave was taken;
- For employees paid on a salary basis, the same rate guaranteed to the employee as if the employee hadn't taken the leave; and
- For employees paid solely on a commission, piecework, or any basis other than hourly or salary, a rate no less than the applicable local, state, or federal minimum wage, whichever is greater.

The definition of base rate doesn't include:

- Commissions;
- Shift differentials that are in addition to an hourly rate;
- Premium payments for overtime work;
- Premium payments for work on Saturdays, Sundays, holidays, or scheduled days off;
- Bonuses; or
- Gratuities

Employee Coverage:

The amended paid sick leave requirement covers employees (including temporary and part-time) working in Minneapolis who are **anticipated by the employer to** perform work within the geographic boundaries of the city for at least 80 hours in a year for that employer.

For purposes of the law "employee" does not include:

- Independent contractors; or
- An individual who is:
 - o A volunteer firefighter or paid on-call firefighter, with a department charged with the prevention or suppression of fires within the boundaries of the state;
 - o A volunteer ambulance attendant;
 - o An ambulance service person who serves in a paid on-call position;
 - o An individual who is an elected official of the city or a person who is appointed to fill a vacancy in an elected office in the city.

Permitted Uses:

Under the amended law, an employee may use the paid sick leave as it accrues for:

- The employee's mental or physical illness, treatment, or preventive care;
- A family member's mental or physical illness, treatment, or preventive care;
- Absence due to domestic abuse, sexual assault, or stalking of the employee or a family member;
- Closure of the employee's workplace due to weather or public emergency or closure of a family member's school or care facility due to weather or public emergency; and
- When determined by a health authority or healthcare professional that the employee or family member is at risk of infecting others with a communicable disease.
- When they need to make arrangements for or attend funeral services or a memorial, or address financial or legal matters that arise after the death of a family member.

See [the text of the amended law](#) for other permitted uses and complete details.

An employer is only required to allow an employee to use paid sick leave under the law when the employee is scheduled to perform work within the geographic boundaries of the city.

Paid sick leave may be used in the same increment of time for which employees are paid. However, employers are not required to provide leave in less than fifteen (15) minute increments. Employers cannot require use of paid sick leave in more than four-hour increments.

Covered Family Members:

The amended law defines a family member as any of the following.

- Child, including foster child, adult child, legal ward, child for whom the employee is legal guardian or child to whom the employee stands or stood in loco parentis (in place of a parent);
- Spouse or registered domestic partner;
- Sibling, stepsibling, or foster sibling;
- Biological, adoptive or foster parent, stepparent, or a person who stood in loco parentis (in place of a parent) when the employee was a minor child;
- Grandchild, foster grandchild or step-grandchild;
- Grandparent or step-grandparent;
- A child of a sibling of the employee;
- A sibling of the parents of the employee;

- A child-in-law or sibling-in-law;
- Any of the family members listed above of an employee's spouse or registered domestic partner;
- Any other individual related by blood or whose close association with the employee is the equivalent of a family relationship; and
- Up to one individual annually designated by the employee.

Carryover and Frontloading:

Under both the original law and the amended law, employers must carryover accrued, unused sick leave into the following year.

The amended law also provides that, instead of permitting the carryover of accrued, unused paid sick leave into the following year, an employer may provide an employee with paid sick leave for the year that meets or exceeds the amended ordinance's requirements. These amounts must be made available for the employee's immediate use at the beginning of the subsequent year and are as follows:

- 48 hours, if an employer pays an employee for accrued but unused paid sick leave at the end of a year at the same base rate of pay as an employee earns from employment and in no case less than minimum wage; or
- 80, if an employer does not pay an employee for accrued but unused sick and safe time at the end of a year.

Employee Notice and Documentation:

If the need for paid sick leave is foreseeable, an employer may require advance notice of the intention to use paid sick leave, provided it is no more than seven days' advance notice.

If the need is unforeseeable, an employer may require an employee to give notice of the need for paid sick leave as soon as reasonably required by the employer.

However, an employer that requires notice of the need to use paid sick leave must first have a written policy containing reasonable procedures for employees to provide such notice and must provide a written copy of such policy to employees.

When an employee uses paid sick leave for more than two consecutive scheduled work days, an employer may require reasonable documentation that the time off is covered by the amended law.

Poster and Notice:

Under the original law and amended law, employers must display a workplace poster in English, and any language spoken by at least five percent of the employees at the workplace or job site, if published by the city.

Under the amended law, employers must also provide another notice to all employees. At the commencement of employment, employers must supply employees with a notice in English and the primary language of the employee, as identified by the employee, that contains all the information required below.

- The amount of paid sick leave;
- The accrual year for the employee;
- The terms of use of paid sick leave under city law;
- A copy of the written policy for providing notice (see employee notice and documentation above);
- That retaliation against employees who request or use paid sick leave is prohibited; and
- That each employee has the right to file a complaint or bring a civil action if paid sick leave is denied by the employer or the employee is retaliated against for requesting or using paid sick leave.

The means used by the employer must be at least as effective as the following options for providing notice:

- Posting a copy of the notice at each location where employees perform work and where the notice must be readily observed and easily reviewed by all employees performing work;
- Providing a paper or electronic copy of the notice to employees; or
- A conspicuous posting in a web-based or app-based platform through which an employee performs work.

An employer that provides an employee handbook to its employees must include the required notice in the handbook provided.

Pay Statements:

At the end of each pay period, the employer must provide, in writing or electronically, information stating the employee's then-current amount of:

- The total number of paid sick leave hours available to the employee for use; and
- The total number of paid sick leave hours used during the pay period.

Employers may choose a reasonable system for providing this notification, including, but not limited to, listing information on or attached to each pay statement or an online system where employees can access their own information. An employer who chooses to provide this information by electronic means must provide employee access to an employer-owned computer during an employee's regular working hours to review and print.

Next Steps:

- Read the [amended law in full](#).
- Review paid sick leave policies and practices to ensure compliance with the regulations.

New York City Expands Safe and Sick Time Act and Reduces Temporary Schedule Change Law Requirements

Summary: New York City has expanded its Earned Safe and Sick Time Act (ESSTA) to provide additional unpaid leave and expand the reasons an employee may use the leave. The City has also formally added paid prenatal leave requirements into local law and reduced requirements under its Temporary Schedule Change Law.

The Details:

The New York City Council has enacted an [ordinance](#) that expands employee rights and amends New York City employers' safe and sick time obligations. The amendments take effect on **February 22, 2026**.

Background:

As background, New York City's [Earned Safe and Sick Time Act \(ESSTA\)](#) requires employers to provide safe and sick time off to employees working in New York City. Covered employees are entitled to 40 or 56 hours of leave annually (the required amount depends on employer size).

Expanded Safe and Sick Time Requirements:

New Mandatory Frontloaded Unpaid Leave:

New York City employers must provide 32 hours of unpaid safe and sick time (without an employee waiting period) in addition to the paid ESSTA leave to covered employees immediately upon hire and on the first day of each calendar year.

Employers may impose a minimum usage increment of up to four hours per day, and any unused, unpaid safe or sick time is not subject to the ESSTA carryover requirements for paid leave accruals.

Additionally, when an employee needs time off for a covered reason, employers should assume the employee will use available paid sick time unless the employee notifies the employer that they want to use unpaid time. If ESSTA leave has not yet accrued, or the employee exhausted their ESSTA leave, the employee may use this unpaid leave or other time off under their employer's policy.

Expanded Use:

The amendments also expand the reasons employees may use safe and sick time under ESSTA to include:

- **Caregiving:** Employees who are caregivers (an individual who provides direct and ongoing care for a minor child or a care recipient) may take safe and sick time to care for a minor child or care recipient (an individual with a disability who is a family member or individual who resides in the caregiver's household and relies on the caregiver for medical care or to meet the needs of daily living).

- **Public Disasters** (such as fires, explosions, terrorist attacks, severe weather, or other emergencies declared by the U.S. president, New York governor, or New York City mayor), when the public disaster results in:
 - o Closure of the employee's workplace;
 - o The employee's need to care for a child whose school or childcare provider is closed or has restricted in-person operations; or
 - o A directive from public officials to remain indoors or avoid travel.
- **Pursuit of Subsistence Benefits or Housing:** Employees who attend or prepare for legal proceedings or take necessary actions related to applying for, maintaining, or reinstating subsistence benefits or housing for themselves, a family member or a care recipient; and
- **Workplace Violence:** Meeting with a legal or social service provider and taking other protective actions if they or a family member were victims of workplace violence (an act or threat of violence against an employee that occurs in the workplace).

The amendments also expand the list of sources an employee may use to provide the required reasonable documentation after three consecutive days of ESSTA use.

Formal Incorporation of Paid Prenatal Leave into ESSTA:

As background, New York City's prenatal leave requirements were enacted to align with New York State's prenatal leave law, which took effect on January 1, 2025.

The amendments:

- Formally incorporate the New York City Department of Consumer and Worker Protection's rule to align ESSTA with [New York State's paid prenatal leave requirements](#);
- Reinforce employers' obligations to provide 20 hours of paid prenatal leave during a 52-week calendar period to eligible employees (in addition to paid and unpaid safe and sick time). **Note:** Employers may set a minimum usage increment of one hour for prenatal leave; and
- Require employers to:
 - o Modify their current policy to detail the ESSTA's prenatal leave entitlements;
 - o Distribute the revised policy to all new hires and current employees within 14 days of the policy's effective date;
 - o Distribute and post the New York City Department of Consumer and Worker Protection's updated prenatal leave [notice](#) (this includes physically posting the notice at the workplace and distributing the notice to new hires and to current employees when their rights change). Note that the employer must maintain records of the distribution of these notices; and
 - o Keep additional covered reasons for an employees' use of ESSTA confidential.

Recordkeeping / Pay Statement Requirements:

The following provides an overview of current and future requirements impacting pay statements.

Pay Statement Requirements:

Leave Type	Current Law	Effective 2/22/26
Unpaid Safe and Sick Leave	N/A	<ul style="list-style-type: none"> • The amount of unpaid safe and sick leave accrued during the pay period.* • The amount of unpaid safe and sick leave used during the pay period; and • The total amount of unpaid safe and sick leave available for use in the Calendar Year. <p>*Final rules and/or additional agency guidance should further clarify requirements.</p>

Leave Type	Current Law	Effective 2/22/26
Paid Safe and Sick Leave	<ul style="list-style-type: none"> • The amount of safe and sick leave accrued during the pay period; • The amount of safe and sick leave used during the pay period; and • The total amount of safe and sick leave available for use in the Calendar Year.* 	No change.
Paid Prenatal Leave	<p>For each pay period that an employee uses prenatal leave, the employer must give the employee the following information in writing:</p> <ul style="list-style-type: none"> • The amount of paid prenatal leave used during the pay period; and • The total amount of paid prenatal leave still available for use in the 52-week period. <p>Employers may provide this information on pay stubs or other documentation provided to employees each pay period (pay statement) or in separate written documentation.*</p>	Unclear. Final rules and/or additional agency guidance is needed to clarify if current requirements will continue to apply.

*If an employer does not issue pay statements and instead uses an electronic system to give employees required information about safe and sick leave and paid prenatal leave, the employer may comply with requirements by using the electronic system if certain requirements are met. See [Notice of Rights and Pay Statements](#) (FAQ# 6) from the NYC Consumer and Worker Protection FAQs for more information.

Reduction of Temporary Schedule Change Law Obligations:

As background, [the Temporary Schedule Change Law \(TSCL\)](#), **required** employers to approve up to two temporary schedule changes (limited alteration in the dates, hours, times, or locations where an employee is expected to work) annually for an employee's personal events, such as caregiving obligations and subsistence benefits.

With ESSTA now covering these events, employees may continue to request temporary schedule changes, but employers are no longer required to approve them (employers can approve, deny, or propose an alternative to such a request). The employer must also respond to an employee's request as soon as practical.

Penalties:

The amendments also clarify that paid prenatal leave violations may also result in penalties. See [the ordinance](#) for details.

Next Steps:

Employers with employees working in New York City should review and update their policies and practices to ensure compliance with the new ESSTA requirements by **February 22, 2026**.

ADP will continue to monitor for any additional agency guidance.

St. Paul, Minnesota Amends Paid Sick Leave Ordinance

The Details:

St. Paul has enacted changes to its sick leave ordinance effective November 16, 2025. Many of the changes are intended to align city requirements with amended state requirements.

Background:

Since July 1, 2017, the City of St. Paul required employers to provide paid sick leave to employees who work in the city.

In 2024, Minnesota enacted its own statewide paid sick leave law, which differed from the city's in important ways, and began enforcing the law a year later. In response, the city amended its paid sick leave ordinance for 2024. However, the state has amended its law twice since the city's changes took effect.

Ordinance No. 2025-057:

Effective **November 16, 2025**, Ordinance No. 2025-057 amends the city's sick leave ordinance again to more closely align the city's ordinance with the latest version of the state's law. Here is a summary of some of those provisions:

Covered Employees:

As amended, the ordinance covers employees, including temporary and part-time employees, who are **anticipated by the employer to perform** work within the geographic boundaries of the city for at least 80 hours in a year.

Permitted Uses:

Ordinance No. 2025-057 expands the reasons employees may use paid sick leave under the city's paid sick leave ordinance.

An employee may use paid sick leave for the following reasons:

- The employee's or a family member's mental or physical illness, treatment, or preventive care;
- Absence due to domestic abuse, sexual assault, harassment or stalking of the employee or a family member;
- Absence due to the need to make arrangements for or attend funeral services or a memorial, or address financial or legal matters that arise after the death of a family member;
- When determined by a health authority or healthcare professional that the employee or family member is at risk of infecting others with a communicable disease; and
- The employee's inability to work or telework because the employee is: (i) prohibited from working by the employer due to health concerns related to the potential transmission of a communicable illness related to a public emergency; or (ii) seeking or awaiting the results of a diagnostic test for, or a medical diagnosis of, a communicable disease related to a public emergency and such employee has been exposed to a communicable disease or the employee's employer has requested a test or diagnosis.

Employees may also use paid sick leave for the closure of their workplace due to weather or public emergency or closure of a family member's school or care facility due to weather or public emergency. However, an employee is prohibited from using it for these closures if:

- The employee's preassigned or foreseeable work duties during a public emergency or weather event would require the employee to respond to the public emergency or weather event;
- The employee is a firefighter; a peace officer subject to licensure under state law; a 911 telecommunicator; a guard at a correctional facility; or a public employee holding a commercial driver's license;
- One of the following two conditions is met:
 - o The employee is represented by an exclusive representative, and the collective bargaining agreement or memorandum of understanding governing the employee's position meets certain conditions.
 - o The employee is not represented by an exclusive representative, is needed for the employer to maintain minimum staffing requirements, and the employer has a written policy that meets certain requirements.

Employees may use paid sick leave in the same time increment for which employees are paid, provided an employer isn't required to allow leave in less than 15-minute increments, nor can the employer require use in increments of more than four hours.

Pay During Leave:

During paid sick leave, employees must be compensated at their "base rate" (or more), and in no case may it be less than the applicable minimum wage. Before Ordinance No. 2025-057, the city's ordinance required paid sick leave to be paid at the employee's hourly rate (or more).

Under the city's amended ordinance, base rate means:

- For employees paid on an hourly basis, the same rate received per hour of work;
- For employees paid on an hourly basis who receive multiple hourly rates, the rate the employee would have been paid for the period of time in which leave was taken;
- For employees paid on a salary basis, the same rate guaranteed to the employee as if the employee hadn't taken the leave; and
- For employees paid solely on a commission, piece rate, or any basis other than hourly or salary, a rate no less than the applicable local, state, or federal minimum wage, whichever is greater.

For purposes of the ordinance, base rate doesn't include:

- Commissions;
- Shift differentials that are in addition to an hourly rate;
- Premium payments for overtime work;
- Premium payments for work on Saturdays, Sundays, holidays, or scheduled days off;
- Bonuses; or
- Gratuities (as defined by state law).

Carryover and Frontloading:

Under both the preexisting city ordinance and the city's most recent amendments, employers must generally permit employees to carry over accrued but unused paid sick leave into the following year. Prior to Ordinance No. 2025-057, employees were required to work in the city for more than a year to be entitled to such carryover.

Ordinance No. 2025-057:

- Removes the requirement to work in the city for more than a year to be entitled to carryover.
- Requires employers to permit employees to carry over at least 80 hours of accrued but unused paid sick leave to the following year.

In lieu of allowing carryover into the following year, an employer may provide an employee with paid sick leave for the year that meets or exceeds the requirements of the city ordinance that is available for the employee's immediate use at the beginning of the subsequent year as follows:

- 48 hours, if an employer pays an employee for accrued but unused paid sick leave at the end of a year at the base rate as an employee earns from employment (must be at least the minimum wage); or
- 80 hours, if an employer doesn't pay an employee for accrued but unused paid sick leave at the end of a year.

Note: Employers must apply the same accrual/frontloading method to all employees.

Employee Documentation:

When an employee uses paid sick leave for more than **two** consecutive scheduled workdays, an employer may require reasonable documentation that the time off is covered by the amended ordinance. The amended ordinance also clarifies the types of documentation employees may provide. See the [text of the amended ordinance](#) for details.

Poster and Individual Notice:

Employers must display a workplace notice about the paid sick leave ordinance. The city must create acceptable notices. Employers must post the city-created notices in English and in any language spoken by employees.

Under the amended ordinance, employers must also provide a notice to all employees on an annual basis. The notice must describe employee rights under the ordinance, including, but not limited to, the right to report a violation and notice that retaliation by an employer is prohibited.

Paid Sick Leave Statements:

Upon request of the employee, the employer must provide, in writing or electronically, information stating the employee's then current amount of:

- **The total number** of paid sick leave **hours** available **to use**; and
- **The total number** of paid sick leave **hours** used **during the pay period**.

Employers may choose a reasonable system for providing this notification, including, but not limited to:

- Listing information on or attached to each earnings statement; or
- An electronic system where employees can access this information.

Ordinance No. 2025-057 also requires that employers who choose to provide this information by electronic means also provide employees with access to an employer-owned computer during an employee's regular working hours to review and print.

Recordkeeping and Employee Access:

Ordinance No. 2025-057 clarifies and amends recordkeeping requirements under the paid sick leave ordinance. Specifically, it requires that employers create and maintain the following records demonstrating compliance with the ordinance:

- The name, address, phone number, email, and position of each employee;
- The rate of pay, and the amount paid each pay period to each employee;
- The hours worked each day and each workweek for employees on an hourly basis;
- The number of pieces completed for employees paid at a piece rate;
- The method of calculating commissions for employees paid on a commission basis;
- The statements of earnings required by the city's wage theft ordinance;
- The employee wage notices and (and any changes made to them) that are required by the city's wage theft ordinance.
- A copy of all personnel policies provided to the employee, including the date the policies were given to the employee and a brief description of the policies.

The records must be retained for at least three years after the termination of employment, except for the required statement of earnings, which must be retained for at least three years after the date upon which the statement was provided to the employee.

If requested, an employer must allow an employee to inspect their own records at a reasonable time and in a reasonable manner.

Next Steps:

- Read the [amended ordinance](#).
- Provide paid sick leave in accordance with the requirements of the amended ordinance (and Minnesota state law).
- Monitor the website of the Department of Human Rights and Equal Employment Opportunity for updates to the required notices.
- Post and furnish the updated notices.
- Update leave policies and forms and employee handbooks to comply with the amended ordinance.
- Train supervisors on the amended ordinance.

Minimum Wage

Minimum Wage Announcements – 11/21/25 – 12/20/25

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?	Notes
Cupertino, CA	\$18.70	\$18.70*	1/1/26	Yes	Once available found here
Daly City, CA	\$17.50	\$17.50*	1/1/26	Yes	
Oakland	\$17.34	\$17.34*	1/1/26	Yes	
Oakland Hotel Workers with Health Benefits	\$18.85	\$18.85*	1/1/26	Yes	
Oakland Hotel Workers without Health Benefits	\$25.14	\$25.14*	1/1/26	Yes	
Sonoma, CA (26 or more EEs)	\$18.47	\$18.47*	1/1/26	Yes	
Sonoma, CA (25 or less EEs)	\$17.38	\$17.38*	1/1/26	Yes	
Boulder County, CO	\$16.82	\$13.80	1/1/26		Once available found here
Portland, ME	\$16.75	\$8.38	1/1/26	Yes	
King County, WA (Unincorporated – 500 or more employees)	\$20.82	\$20.82*	1/1/26	Yes	Once available found here
King County, WA (Unincorporated – Businesses with 16 to 499 employees)	\$19.82	\$19.82*	1/1/26	Yes	Once available found here
King County, WA (15 or fewer EEs with \$2 million or more in annual gross revenue)	\$19.82	\$19.82*	1/1/26	Yes	Once available found here
King County, WA (Unincorporated – Companies with 15 or fewer employees and less than \$2 million in annual gross revenue)	\$18.32	\$18.32*	1/1/26	Yes	Once available found here

*CA and WA do 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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