Eye on State and Local Compliance

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

March 27, 2026

State/Territory/District

Colorado Clarifies Recordkeeping and Other Rules

Impacted Employers: All employers with employees in Colorado.

Effective Dates: February 1, 2026

Summary: The Colorado Department of Labor and Employment (CDLE) has issued final regulations clarifying employer responsibilities regarding recordkeeping, youth labor, and paid leave.

The Details:

The Colorado Department of Labor and Employment (CDLE) has issued final regulations clarifying employer responsibilities regarding recordkeeping, youth labor, and paid leave. The changes took effect on **February 1, 2026**.

Background:

In 2025, the Colorado General Assembly passed a number of laws amending statutes implemented by the Colorado Overtime Minimum Pay Standards Order (COMPS Order), including House Bill 1001, which amended the Colorado Wage Act (CWA).

Highlights of Amended COMPS Order Regulations:

Recordkeeping Requirements:

Currently, the regulations required every employer to keep at the place of employment, or at the employer's principal place of business in Colorado, a true and accurate record for each employee, which contains the following information:

- Name, address, occupation, and date of hire of the employee
- Date of birth, if the employee is under 18 years of age
- Daily record of all hours worked
- Record of credits claimed and of tips
- Regular rates of pay, gross wages earned, withholdings made, and net amounts paid each pay period.

Topics covered in this issue:

The amended regulations clarify that employers must also keep a record of:

- All vacation pay hours accrued, used, and available for use during the current benefit year, if any; and
- All Healthy Families and Workplaces Act (HFWA) leave or sick leave hours accrued, used, and available for use during the current benefit year (to the extent these hours are tracked separately from vacation hours).

The definition of "vacation pay" has the same definition as that set forth in **Wage Protection Rule 2.17**, and as such, includes all forms of paid leave.

The amended rules also establish a standard for employee access to information about vacation pay similar to an employee's access to information about HFWA paid sick leave.

Specifically, upon an employee's request, an employer must provide (in writing or electronically) documents sufficient to show, or a dated statement containing, vacation pay hours accrued, used, and available for use during the current benefit year.

Employees may make such requests no more than once per month, or more frequently as provided by an employer policy.

Employers may choose a reasonable system for fulfilling such requests, including, but not limited to, listing such information on each pay statement, using an electronic system that allows employees to access their own information, or providing the necessary information in a letter or electronic communication.

Other COMPS Order Changes and Clarifications:

Other changes to the COMPS Order regulations include:

- Updating the definition of "employer" to include "each individual who owns or controls at least 25 percent of the ownership interests in an employer" unless that minority owner "demonstrates full delegation of its authority to control day-to-day operations of the employer."
- Clarifying the definitions of "minor" and "emancipated minor."
- Highlighting the legal requirements for minimum wage, overtime pay, or other wage requirements and the CDLE's authority to enforce those requirements. For example, direct care workers must be paid the Direct Care Base Wage.
- Identifying the requirements for paying minors a reduced minimum wage.
- Clarifying the definition of "minor" for the purposes of the overtime rule.
- Noting that the $3.02 tip credit applies statewide, and that a greater tip credit may be authorized by a local government with a higher minimum wage, as long as the tipped minimum wage for any such locality is at least the state tipped minimum wage (the state minimum wage less the $3.02 tip credit).

Wage Protection Rules: Changes and Clarifications:

The CDLE also amended and clarified its Wage Protection Rules, **effective February 1, 2026**. For example, the amended regulations clarify how sick leave pay should be calculated under the HFWA in specific scenarios, such as when an employee is paid:

- Solely on a salary, commission, or piece-rate basis
- A wage and commissions
- Multiple hourly rates

Review the **amended Wage Protection Rules for details**.

Next Steps:

Colorado employers should review the regulations in full and ensure that their policies and practices comply.

Connecticut Supreme Court: Employer-Required Security Screenings Must Be Paid

Impacted Employers: All employers that require employees to complete security screenings and other pre-shift and post-shift activities in Connecticut.

Effective Date: Immediately

Summary: The Connecticut Supreme Court has ruled that state law requires employers to compensate employees for employer-required security screenings.

Next Steps: Review timekeeping policies and practices and ensure that they adhere to applicable laws.

The Details:

In the case before the Connecticut Supreme Court, the employer required non-exempt warehouse employees to pass through security screenings after they had clocked out at the end of their shift, as a way to help prevent theft (see ***Del Rio v. Amazon.com Services, Inc.***).

A group of workers filed a class-action lawsuit, arguing they should have been paid for the security screenings. Evidence presented in court indicated that even the slowest screenings averaged about 10 seconds, and the fastest screenings required no additional time. However, plaintiffs argued that some screenings took several minutes or longer.

In response to the lawsuit, the employer argued that it wasn't required to pay employees for post-shift security screenings because:

- They aren't integral and indispensable to the employees' duties as warehouse workers; and
- Even if the time spent undergoing mandatory security screenings must otherwise be paid, the de minimis exception applied (meaning the time spent at the screenings was insubstantial or insignificant and as a practical matter could not be recorded for payroll purposes).

The case was removed to federal court and eventually reached a federal appeals court, which then sent it to the Connecticut Supreme Court to address unresolved questions of state law.

In answering the questions, the Connecticut Supreme Court ruled that state law offers greater protection than federal law by requiring employers to compensate employees in the state for mandatory security screenings at their place of employment. The Connecticut Supreme Court also ruled that no de minimis exception exists under state law.

Next Steps:

- Consult legal counsel on the potential impact of the ruling on your operations.
- Review timekeeping policies and practices and ensure that they adhere to applicable laws.

Indiana Amends Its Employment-Eligibility-Verification Law

Impacted Employers: All employers with employees in Indiana.

Effective Date: July 1, 2026

Summary: Indiana has enacted legislation that will amend state law to expressly prohibit employers from knowingly or intentionally recruiting, hiring, or continuing to employ an individual who is unauthorized to work. The amended law will also establish certain protections under state law for employers that engage in "reasonable diligence" (as defined) to verify new hires are authorized to work.

Next Steps: Indiana employers should review the changes to state law with legal counsel and determine whether to update their new-hire vetting procedures.

The Details:

Effective **July 1, 2026**, Indiana state law will expressly prohibit employers from knowingly or intentionally recruiting, hiring, or continuing to employ an individual who is unauthorized to work.

The amended state law will also establish that an employer isn't in violation of that prohibition if the employer engaged in "reasonable diligence" before recruiting, hiring, or continuing to employ the individual.

The amended state law will define "reasonable diligence" as:

- Using an electronic verification of work authorization program operated by the U.S. Department of Homeland Security (DHS) to verify the work eligibility of an employee, except where the circumstances under which the verification was made would have put a reasonable person on notice that the verification was unreliable or of limited reliability; or
- Engaging in diligence to confirm work eligibility of an individual "in a manner that is consistent with industry standard best practices."

The law does not define what is meant by "in a manner that is consistent with industry best practices."

Indiana's Attorney General will be responsible for bringing an enforcement action against an employer if the Attorney General determines that probable cause exists that an employer has violated the amended state law.

In limited cases, the amended state law will give an employer the opportunity to avoid liability for a single violation if they have never been found in violation of the law before and, within 15 business days of receiving the Attorney General's notice, the employer either:

- Provides evidence that the employer has engaged in reasonable diligence to confirm the work eligibility of the employer's employees and that the employer hasn't violated the law; or
- Submits an affidavit attesting that the employer has terminated the employment of the employees who are deemed unauthorized to work, engaged in reasonable diligence to confirm the work eligibility of all of its employees, and won't knowingly employ any unauthorized workers in the future.

Unless an exception applies, the amended state law will authorize courts to impose penalties on violators, including ordering the employer to suspend business operations.

The amended state law will also prohibit an employer from discharging or discriminating against an employee because the employee communicated or cooperated with the Attorney General.

Next Steps:

Indiana employers should **review the law in full for details** and consult with legal counsel to determine whether an update to new-hire verification procedures is needed.

Indiana to Repeal Registration Requirement for Employing Minors

Impacted Employers: All employers that employ five or more minors in Indiana.

Effective Date: July 1, 2026

Summary: Indiana has enacted legislation that will repeal a law requiring employers to register with the Indiana Department of Labor (IDOL) when they employ five or more minors.

Next Steps: Until July 1, 2026, covered employers should continue to comply with the registration requirement for employing minors. As of July 1, 2026, employers will no longer be required to register with the state and can adjust hiring processes accordingly.

The Details:

Indiana has enacted legislation that will repeal a law requiring employers to register with the Indiana Department of Labor (IDOL) when they employ five or more minors. The repeal results from the enactment of House Bill 1302 and takes effect on **July 1, 2026**.

Background:

Under existing Indiana law, any employer that hires, employs or permits five or more minors to work must register with the Indiana Department of Labor (IDOL). The law also requires covered employers to update their registration if any of the information changes, such as when they hire more minors.

House Bill 1302:

Effective **July 1, 2026**, House Bill 1302:

- Repeals the registration requirement for employing minors.
- Repeals a requirement that the IDOL maintain a publicly accessible database of registered employers.

Next Steps:

Until July 1, 2026, covered employers should continue to comply with the registration requirement for employing minors. As of July 1, 2026, employers will no longer be required to register with the state and can adjust hiring processes accordingly.

Washington State Adds Domestic Worker Protections

Impacted Employers: Certain employers that provide payment to a domestic worker. See below for further details.

Effective Date: July 1, 2027

Summary: The State of Washington has enacted legislation that adds wage, contract and other protections for domestic workers.

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

The Details:

Washington State has enacted legislation (House Bill 2355), which adds wage, contract and other protections for domestic workers. House Bill 2355 is effective **July 1, 2027**.

The law defines a "domestic worker" as an individual who works or provides services in one or more private residences as a nanny, childcare provider, home care worker, personal care provider, housekeeper or cleaner, cook, gardener or household manager.

Note: Domestic workers who are exempt from House Bill 2355 protections may be eligible for certain other protections against unfair practices. See the **text of the law** for further details.

A hiring entity includes an individual(s), partnership, association, corporation, business trust, **employer**, or any combination thereof, that provides payment to a domestic worker for work or services.

Note: Hiring entity does not include **state agencies or home care agencies** that receive funds **under the law**.

Pay Requirements:

Under the law (enforced as **wage payments**), a hiring entity must pay a domestic worker:

- At a rate that meets or exceeds the minimum hourly rate under the law; and
- Overtime at a rate that is not less than one and one-half times the worker's regular rate of pay for hours worked in excess of 40 hours in a workweek.

A hiring entity may withhold or divert any portion of a domestic worker's compensation, provided they document any withholdings in writing, and the withholding: 1) is for state or federal law purposes; or 2) was expressly authorized by the domestic worker in writing for a lawful purpose that leads to a benefit.

Note: The payment requirements do not apply where a domestic worker voluntarily provides additional home care in excess of a written agreement between only themselves and a family member to whom they are providing services.

A hiring entity cannot:

- Collect or receive from a domestic worker a rebate of any part of the compensation paid by the hiring entity to the domestic worker; or
- Willfully, with intent to deprive the domestic worker of any part of their compensation, pay them a lower rate of compensation than what is required by agreement or contract.

Written Agreements:

A hiring entity must specify a domestic worker's terms for their position or services and their rate of pay in a written agreement.

The written agreement must:

- Include the following for the domestic worker (if applicable for the position or services or if provided by the hiring entity):
    - Work schedules;
    - Rate of pay for additional duties, payroll deductions, transportation costs and benefits, severance benefits, health insurance coverage and costs;
    - Applicable fees and costs associated with expectations for their work; and
    - Sick, vacation, personal and holiday leave benefits.
- Be in a language (or languages) understood by the worker and hiring entity.
- Be provided to a domestic worker by a hiring entity along with a disclosure of rights following a template of a model notice to be made available by the **Washington Department of Labor and Industries (DOLI**).

Termination of Position or Services:

A hiring entity must provide at least two weeks' written notice before terminating a domestic worker's position or services (four weeks for a live-in domestic worker).

Note: A hiring entity that does not provide the required notification must provide severance pay of at least the domestic worker's standard rate of pay (the agreed-upon rate of pay in the written agreement) multiplied by the regular number of hours worked over the period during which the notification was not provided.

Exceptions:

Written notification is not required in certain circumstances. See **the text of the law** for further details.

Harassment Prevention:

A hiring entity cannot:

- Subject a domestic worker to conduct that creates an intimidating, hostile or offensive work environment with the purpose or effect of unreasonably interfering with the worker's performance;
- Require or request a domestic worker to allow the hiring entity to take or maintain possession of their personal effects, including, but not limited to: legal documents, forms of identification, passports or immigration documents;
- Monitor or record activities of a domestic worker using a bathroom, or in the worker's private living quarters, or while the worker performs personal activities associated with dressing or changing clothes;
- Monitor, record, or interfere with a domestic worker's private communications; or
- Request, direct or require, as a condition of work, that a domestic worker waive the worker's rights under federal, state or local law, or agree to:
    - A mandatory pre-dispute arbitration clause for claims of their legal rights;

- A nondisclosure or non-disparagement agreement that inhibits the worker from pursuing claims or complaints under the law; or
- A noncompete agreement that prevents a domestic worker from working for other hiring entities or in other residences following the termination or conclusion of their work for the hiring entity.

Nonretaliation:

A hiring entity cannot:

- Interfere with, restrain, or deny the exercise of a right under the law by using a domestic worker's exercise of the right as a negative factor in an employment action or other similar action.
- Take adverse action against a domestic worker for exercising or attempting to exercise a right under the law.

See the **text of the law** for examples of prohibited adverse actions.

Recordkeeping:

A hiring entity must: 1) create and maintain records documenting hours worked, rate of pay, and, if applicable, the leave time earned and used; and 2) ensure the records and written agreement are ready and available to **the DOLI** in the event a complaint is filed.

See **the text of the law** for further details on the timing of when complaints may be filed, investigative procedures, and hiring-entity appeal processes.

Penalties:

A hiring entity found to have violated the law may face a penalty of $1,000 for a willful violation of the law, and $2,000 to $20,000 for each repeated willful violation.

Next Steps:

Washington employers that meet the definition of a hiring entity should review their policies, practices and training to ensure compliance with the changes by **July 1, 2027**. They should also monitor **the DOLI website** for the required notice template.

Washington State Expands Work Hours for Minors in an Approved Career and Technical Education Program

Impacted Employers: Washington state employers who employ minors.

Effective Date: July 1, 2026

Summary: The State of Washington has enacted legislation that provides employers greater scheduling flexibility for certain minor workers.

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

The Details:

The State of Washington has enacted legislation (House Bill 1121), which provides employers greater scheduling flexibility for certain minor workers. House Bill 1121 is effective **July 1, 2026**.

Background:

Under Washington state law, currently 16 and 17-year-olds who are enrolled in qualifying college programs (excluding **career and technical education (CTE) programs**) may work the same hours during the school year that they worked during school breaks.

Increased Work Hour Flexibility:

Under House Bill 1121, beginning July 1, 2026, 16 or 17-year-olds and enrolled in an approved CTE program may also work the same number of hours during the school year that they work during school breaks. For example, if a student works 25 hours/week during a school break, they could work 25 hours/week during the school year by attending high school in the morning and participating in work-based learning at an approved site for the rest of the day.

Next Steps:

Washington employers should update their youth employment policies and procedures, and train supervisors on the requirements needed for increased student scheduling flexibility.

Local

New York City Releases Updated Sick Leave Notice and Resources

Impacted Employers: New York City employers.

Effective Date: Effective immediately.

Summary: New York City has released an updated Notice of Employee Rights, Rules for Protected Time Off Policies and FAQs. The city has also issued proposed rules related to the previously amended Earned Safe and Sick Time Act (ESSTA).

Next Steps: Provide the updated Notice of Employee Rights and your updated policies to current employees immediately and to new hires going forward. Review the Rules for Protected Time Off Policies, FAQs and the new proposed rules.

The Details:

The New York City Department of Consumer and Worker Protection (DCWP) has released the following:

- Updated Frequently Asked Questions (FAQs)
- Rules for Protected Time Off Policies
- An updated Notice of Employee Rights which must be distributed to employees regularly working in New York City immediately and provided to new hires.
- New Proposed Rules related to the previously amended Earned Safe and Sick Time Act (ESSTA).

Background:

New York City had added new sick leave requirements that took effect on **February 22, 2026**, resulting from amendments to the New York City Earned Safe and Sick Time Act (ESSTA).

The DCWP guidance now refers to safe/sick time as "protected time off" and therefore we use this terminology below.

Frequently Asked Questions:

The updated FAQs help clarify some areas that were previously unclear, including but not limited to the following:

- Employers are required to provide at least 32 hours of unpaid leave to existing employees starting February 22, 2026. Thereafter, employers must provide a bank of 32 hours of immediately available, unpaid protected time off on the first day of the calendar year, as determined by the employer. Employers are not required to carry over unused immediately available hours from year-to-year.
- Part-time employees and/or mid-year hires must also be provided the full 32 hours of unpaid protected time off at the beginning of the year.
- Employers that provide at least 32 hours more than the required 40 hours or 56 hours of paid protected time off need not provide the additional 32 hours of unpaid protected time off, so long as they frontload 32 paid hours at hire and at the start of each calendar year (separate from standard ESSTA paid time off accruals). Alternatively, employers can still frontload 32 hours of unpaid leave and then allow employees to accrue paid leave as the year progresses.

- If an employee has both paid and unpaid leave, employers should use an employee's paid leave balance before applying unpaid leave, unless the employee has requested to use unpaid leave.
- Employees may take unpaid protected leave in the same increments as paid protected leave (a maximum four-hour initial increment, when it is reasonable under the circumstances, and in 30-minute (or smaller) increments after).
- Paid prenatal leave must be provided as a separate bank that is distinct from other leave including protected time off or vacation time.
- Employers must inform employees through their pay statements (or other documentation provided to employees each pay period):
    - o the amount of protected time off accrued during the pay period;
    - o the amount of paid and unpaid protected time off used during the pay period;
    - o the amount of immediately available hours of unpaid protected time off available for use in the Calendar Year; and
    - o the amount of accrued protected time off available for use in the Calendar Year.
    - o An employer may, but is not required to, note on the pay statement an employee's total balance of accrued protected time off that exceeds the number of hours available for use.

    This is slightly different from the information required for paid prenatal leave, which requires employers to detail in pay statements or in separate written documentation for each pay period in which an employee uses prenatal leave (i) the amount of paid prenatal leave used during a pay period and (ii) the total balance of remaining prenatal leave available for use in the 52-week period.

The updated FAQs also align with some of the DCWP's newly proposed rules.

Review the full FAQs for complete details.

Rules for Protected Time off Policies:

The Rules for Protected Time Off Policies, includes, among other requirements, an employer's written policy to:

- Communicate the amount of newly required unpaid leave and whether the time will be paid or unpaid; and
- State that the leave will be available at the beginning of employment and each year.
- The DCWP requires policies that may use terms other than sick and/or safe time and/or protected time off, to include: "Such leave may be used by an employee for any of the purposes set forth in NYC's Protected Time Off Law and its rules." The proposed rules do not, however, require this language verbatim, but rather words to this effect.

Review the Rules for complete details. Employers should ensure their policies are updated based on the Rules and distribute their updated policy to current employees and new hires going forward.

Notice of Employee Rights:

The **updated Notice of Employee Rights (Notice)** must be visibly posted in the workplace and reissued to current employees immediately. New hires will also need to receive this updated notice upon hire.

Employees have a right to be given a Notice in English and, if available on the DCWP website, their primary language.

Employers must also post the Notice in English and in any language spoken as a primary language by at least five percent of employees at the workplace if translations are available on the DCWP website.

An employer cannot post the Notice at the workplace in lieu of individually giving the Notice to all covered employees.

Employers must maintain records establishing the date the Notice was provided to an employee and proof that the Notice was received by the employee. The FAQs indicate that saving signed copies of the Notice or email receipts is a good way to document that employers gave employees the required Notice.

Compliance and Data-Driven Enforcement:

To help enforce the law, the DCWP has issued compliance warnings to over 50,000 New York City employers; and announced a new **data-driven enforcement strategy**. Part of the DCWP's enforcement strategy will compare the rate of paid sick time use in an employer's workforce with national sick leave use data from the U.S. Centers for Disease Control and Prevention's **annual National Health Interview Survey**.

Employer records with unusually low rates of paid sick time will be considered strong evidence of potential violations, which may lead to DCWP enforcement. Employers that use a combined paid leave bank should ensure accurate tracking of employees' sick and non-sick time.

Next Steps:

Employers with employees working in New York City should:

- Immediately distribute the updated **Notice of Employee Rights** to current employees and to new hires upon hire going forward. Note that the notice includes a blank field for employers to include their calendar year.
- Review and update policies based on the **Rules for Protected Time Off Policies** and distribute updated policies to current employees and new hires going forward.
- Stay aware as further guidance and final rules are published. DCWP may further revise the proposed rules. ADP will continue to monitor and communicate any updates.

Minimum Wage

Minimum Wage Announcements – 2/21/26 – 3/20/26

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

State or Locality	Minimum Wage Rate	Minimum Tipped Cash Wage	Effective Date(s)	New or Updated Poster Requirement?	Notes
San Francisco, CA	$19.61	$19.61*	7/1/26	Yes	Once available found **here**
City of Santa Fe, NM	$15.40 $17.50	$3.00 $3.00	3/1/26 1/1/27	**Yes**	
District of Columbia	$18.40	$10.30	7/1/26	**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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