Eye on State and Local Compliance

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

July 24, 2026

State/Territory/District

Alaska allows use of payroll cards

Impacted employers: All Alaska employers.

Effective date: July 1, 2026

Summary: Alaska employers are allowed to use payroll cards to pay employee wages.

The details:

Effective July 1, 2026, Alaska employers may pay their employees' wages with a payroll card if the employee has authorized the payment, or if the employee has not authorized wage payments through direct deposit.

An employer paying wages by payroll card must notify employees of the following:

- The employee's wage payment options.
- The payroll card's terms and conditions, including a list of fees assessed by the payroll card issuer.
- A cost-free method available to the employee to access wages credited to the payroll card account.
- A cost-free method for the employee to check the payroll card account.
- Whether the payroll card is subject to any additional fees.

Additionally, a payroll card account must provide the employee with:

- At least one cost-free withdrawal each week or pay period, whichever is longer, in an amount of the employee's net wages.
- An unlimited cost-free mechanism through an automated telephone system, as well as an additional cost-free unlimited electronic mechanism to check payroll card account balances.

Employers cannot offer a payroll card that charges fees for:

- An employee's application for, initiation of, or participation in the payroll card account.
- Issuing the employee's initial payroll card and one replacement card each year.

Topics covered in this issue:

- Transferring employee wages or compensation from the employer to the payroll card account.
- Point-of-sale purchase transactions.

Next steps:

Alaska employers should review **SB 79** to ensure they follow all the necessary steps prior to offering their employees a payroll card option for wage payments.

Colorado adds protections from employer confiscation of workers' ID cards

Impacted employers: Colorado employers.

Effective date: June 3, 2026

Summary: Colorado has enacted legislation that prohibits employers or their agents from demanding, confiscating, retaining, or otherwise requiring individuals performing or seeking work to surrender a government-issued identification card, subject to limited exceptions. Employers must also notify individuals of this prohibition when they verify their employment eligibility.

Next steps: Colorado employers should review employment verification procedures; implement the required notice and acknowledgment process; train relevant personnel; and confirm that any retention of identification documents complies with the law's 10-hour limit.

The details:

Notice:

When employers verify an individual's employment eligibility, they must notify them of the prohibition on employers or their agents from demanding, confiscating, retaining, or otherwise requiring an individual performing or seeking work to surrender a government-issued identification card.

The notice must be:

- In writing;
- In English and in the individual's primary language, if the employer knows the individual's primary language isn't English;
- Acknowledged by the individual; and
- Retained, along with the acknowledgment, in the employer's employment records.

Exceptions:

Employers may:

- Request and temporarily retain a government-issued identification card when verifying employment eligibility;
- Retain the card only as long as necessary to verify eligibility and make a copy, and never longer than 10 hours; and
- Retain copies of identification documents in their records as otherwise permitted by law.

The prohibition doesn't apply when possession of the identification document is required or authorized by federal or state law or regulation, or pursuant to a signed judicial warrant.

Penalties:

Violations may result in criminal liability under Colorado law, and affected individuals may have access to civil remedies. Employers should review the **law's enforcement provisions** and consult counsel regarding compliance obligations.

Next steps:

Colorado employers should:

- Review hiring and Form I-9 procedures to confirm anyone involved in onboarding, including managers and HR, does not demand, confiscate, or retain an applicant's or employee's government-issued ID except as specifically permitted by law.
- Update employment eligibility verification processes to ensure any government-issued ID collected for Form I-9 purposes is retained only as long as necessary to verify work authorization and never for more than 10 hours.
- Develop a written notice informing applicants and employees that employers are generally prohibited from demanding, confiscating, retaining, or requiring surrender of government-issued ID cards. Provide the notice during the employment eligibility verification process.
- Prepare translated notices for individuals whose primary language is known to be a language other than English.
- Obtain and retain acknowledgments showing individuals received the required notice and keep both the notice and acknowledgment with employment records.
- Train supervisors, hiring managers, and onboarding personnel on the law's restrictions, exceptions, and potential penalties for noncompliance.
- Audit document-retention practices to ensure any copies of identification documents are maintained only as permitted under applicable federal and state requirements.

Colorado repeals prior AI guardrails, replaces with AI transparency rules

Impacted employers: Employers doing business in Colorado that use automated decision-making technology (ADMT) to materially influence "consequential decisions" (e.g., hiring, promotion, compensation).

Effective date: The state's new rules are scheduled to take effect on January 1, 2027.

Summary: Colorado has enacted legislation to repeal and effectively replace a law intended to establish guardrails against discrimination arising from the use of artificial intelligence.

Next steps: Covered employers should **review the new law in full** and monitor the state's website for Attorney General rulemaking updates. See below for further details.

Colorado has enacted legislation to repeal and replace a law intended to establish guardrails against discrimination arising from the use of artificial intelligence (AI). The state's new rules on AI are scheduled to take effect on **January 1, 2027**.

The details:

Background:

In 2024, Colorado enacted Senate Bill 24-205, which would have classified certain uses of AI in the workplace as high-risk and imposed obligations on how employers use and monitor AI systems, along with specific disclosure and reporting requirements.

As enacted, the law would have expressly required a deployer of a "high-risk AI system" to use *reasonable care* (as defined by the law) to protect individuals from any known or reasonably foreseeable risks of "algorithmic discrimination."

Senate Bill 24-205 was scheduled to take effect on June 30, 2026, but enforcement had already been temporarily suspended due to pending litigation.

Repeal and replacement:

On May 14, 2026, Colorado's governor signed legislation (Senate Bill 26-189) that repeals and effectively replaces Senate Bill 24-205. The new law generally replaces many of the rules regarding duty of care and risk management with rules requiring transparency.

Beginning January 1, 2027, Senate Bill 26-189 will require developers and deployers of AI systems with "automated decision-making technology" (ADMT) to take specified actions.

What is ADMT?

Under the new law, ADMT generally includes tools that use personal data to generate rankings, scores, recommendations, or other outputs that help make decisions about an individual.

ADMT excludes many routine tools used solely to summarize, draft, organize, or route information for human review or administrative processing.

Key employer requirements:

The core obligations of the new law for deployers of AI apply to employers and other entities that use ADMT that materially influences consequential decisions (e.g., hiring, promotions, and compensation).

Under Senate Bill 26-189, employers that use covered ADMT must:

- Notify individuals before using the ADMT, by posting a prominent public notice that is reasonably accessible at points of interaction with the applicant/employee, including through a link or posting that is reasonably proximate to the interaction in which a consequential decision may occur.
- Provide an adverse-outcome notice to the individual within 30 days if the use of the covered ADMT results in an adverse outcome. The notice must provide a plain language description of the covered ADMT's role, include instructions for requesting more information about the ADMT and its inputs, and list applicant and employee rights. The Colorado Attorney General must adopt rules clarifying this requirement by January 1, 2027.
- Respond to requests for corrections of inaccurate data by conducting a meaningful human review and reconsidering the decision to the extent reasonable.
- Retain records documenting compliance with the law for at least three years from the date of the decision, unless a longer retention period is required by another state or federal law.

ADP will continue to monitor the status of the new Colorado AI law and report on any updates.

Next steps:

Covered employers should:

- **Review the new law in full**.
- Identify all tools that may qualify as covered ADMT.
- Determine which processes involve consequential decisions.
- Implement pre-use AI disclosures.
- Build adverse-outcome notification workflows.
- Establish human review processes.
- Create a process for data correction requests.
- Update policies and employee/applicant notices.
- Maintain required records for at least three years.
- Coordinate with vendors for AI system disclosures/documentation and update notices as tools change.
- Monitor the state's website for Attorney General rulemaking updates.

Colorado Supreme Court recognizes exception to at-will employment for lawful self-defense

Impacted employers: Employers with employees in Colorado.

Date of ruling: June 15, 2026

Summary: The Colorado Supreme Court has ruled that Colorado law recognizes a narrow public-policy exception to the at-will employment doctrine when an employee is terminated for lawfully exercising self-defense in response to an unprovoked workplace attack.

Next steps: Employers with employees in Colorado should review the ruling and consult legal counsel to determine whether changes to policies and procedures are warranted. More detailed next steps can be found below.

The details:

Background:

At-will employment:

Absent certain exceptions, such as an express or implied contract or public policy, the at-will employment doctrine provides that either the employer or the employee can terminate the employment relationship at any time and for any reason, as long as the reason is a lawful one. Most states, including Colorado, recognize the doctrine.

State self-defense protections:

Colorado's self-defense statute allows a person to use force reasonably believed necessary to defend against the use or imminent use of unlawful physical force, subject to certain limitations.

Additionally, the Colorado Constitution recognizes individuals' right to enjoy and defend their lives.

Colorado Supreme Court case:

In **the case before the Colorado Supreme Court**, a retail employee sued their employer for wrongful termination, claiming that they were terminated after lawfully acting in self-defense during an encounter with an alleged robber carrying two knives.

The Colorado Supreme Court was asked whether state law supports a public-policy exception to the at-will doctrine for lawful self-defense.

The court ruled that Colorado law supports a narrow public-policy exception when an employee is terminated for lawfully exercising self-defense in response to an unprovoked workplace attack. To support the public-policy exception, the court explained that self-defense is sufficiently job-related because the need for self-defense can arise anywhere, including the workplace. The right to self-defense is a public right rather than an individual proprietary right.

Next steps:

Employers with employees in Colorado should:

- Work with legal counsel to review workplace violence, robbery-response, and loss-prevention policies to ensure they don't prohibit lawful self-defense.
- Evaluate disciplinary and termination decisions involving employees who may have acted in self-defense during workplace incidents.
- Train managers and those who handle investigations on the court's newly recognized public-policy exception.
- Consult legal counsel before disciplining or terminating employees involved in workplace altercations where self-defense may be implicated.

Connecticut enacts AI law with rules for employer use

Impacted employers: Employers that use automated employment-related decision technology (AEDT) in Connecticut.

Effective date: October 1, 2026, for the provisions generally. The WARN-related disclosure and nondiscrimination amendments also take effect October 1, 2026. However, the employer AEDT interaction-disclosure and pre-decision notice requirements apply to covered deployments made on or after October 1, 2027.

Summary: Connecticut has enacted legislation that adds rules for employers that use automated employment-related decision technology, amends the state's nondiscrimination law, and establishes certain disclosure requirements for federal mass-layoff notices.

Next steps: Employers should review their practices and procedures for compliance with the law. More detailed next steps are located below.

The details:

Key definitions:

Under the law, AEDT means technology that processes personal data and uses computation to generate an output – such as a prediction, recommendation, classification, ranking, score, or other information – that is a substantial factor used to make or materially influence an employment-related decision.

An "employment-related decision" includes decisions based on personal data to hire, promote, discipline, discharge, renew employment, select for training/apprenticeship, or decisions regarding tenure or terms, privileges, or conditions of employment. It excludes decisions resulting in non-material changes in tasks, responsibilities, hours, work assignments, and decisions regarding workplace health and safety, scheduling and planning, or productivity monitoring.

Interaction disclosure:

Beginning October 1, 2027, employers that use AEDT to interact with employees or applicants in the state ("deployers") must disclose that they are interacting with AEDT.

The disclosure must be in plain language. A disclosure isn't required when a reasonable person would deem it obvious that the interaction occurred with AEDT.

Employment-related decision notice:

Beginning October 1, 2027, a deployer of AEDT that generates any output for the purpose of making, or as a substantial factor in making, an employment-related decision must provide written notice to the individual before the employment-related decision is made. The notice must include the following information.

- That the deployer has deployed AEDT;
- The purpose of the AEDT and the nature of such employment-related decisions;
- The trade name of the AEDT;
- The categories of personal data concerning the employee or applicant that the AEDT will analyze or process, and how that personal data will be assessed in reaching a decision;
- The sources of the personal data; and
- Contact information for the deployer.

Amendment to nondiscrimination provisions:

The law amends state nondiscrimination provisions to make clear that the use of AEDT isn't a defense against certain discrimination complaints involving employers and, in a separate provision, complaints involving sexual orientation/civil union status discrimination. The law also says a commission or court may consider evidence of anti-bias testing or similar proactive efforts to avoid discriminatory practices.

WARN Act notice:

By way of background, the Worker Adjustment and Retraining Notification (WARN) Act is a federal law that requires employers with **100 or more full-time workers** to give 60 days' advance notice of a plant closing or mass layoff. The law requires that the WARN notification be given to the appropriate local chief elected official, the Dislocated Worker Unit of the State Department of Labor, and the employee's collective bargaining representative or the employee if they don't have a representative.

Effective October 1, 2026, an employer that serves written notice on the Connecticut Labor Department under the Warn Act must also disclose, in a form and manner prescribed by the Labor Commissioner, whether the layoffs are related to the employer's use of AI or another technological change.

Trade secret protections:

Notably, the law doesn't require disclosure of trade secrets or other information protected from disclosure under state or federal law. If information is withheld on that basis, the person withholding it must provide notice that information is being withheld and explain the basis for withholding it.

Next steps:

- Inventory any employment tools used in Connecticut and determine whether any qualify as AEDT under the new law, consulting legal counsel as needed.
- Identify where tool output is used to make, or is a substantial factor in making, employment-related decisions, such as hiring, promotion, training, discipline or discharge.
- Prepare plain-language interaction disclosures for Connecticut applicants and employees who interact with AEDT, unless the interaction would be deemed obvious.
- Build a written pre-decision notice process that includes the required information.
- Coordinate with vendors/developers to obtain the information needed for compliance.
- Update WARN-related notice procedures (if applicable) to disclose whether the layoffs are related to AI or another technological change.

Minnesota publishes final rules on earned sick and safe time

Impacted employers: Minnesota employers.

Effective date: July 6, 2026

Summary: Minnesota has **published regulations** clarifying and defining various aspects of the state's law entitling employees to earned sick and safe time (ESST).

Next steps: Review ESST policies, payroll accrual practices, rehire procedures, documentation requirements, and manager training to help comply with the final rules. More detailed next steps can be found below.

The details:

While many of the final rules clarify existing statutory requirements, they provide employers with important guidance on employee eligibility determinations, accrual administration, frontloading practices, documentation requests, suspected misuse, incentive programs, and treatment of employees with irregular or indeterminate schedules.

The rules also address incentive programs, employees who work indeterminate shifts, and employers that provide leave benefits exceeding the state's minimum ESST requirements.

The following is a brief overview of the final rules.

Accrual year:

Under the final rules, if an employer fails to designate and clearly communicate the accrual year to each employee, the accrual year is a calendar year.

An employer must provide notice of a change to the start and end dates of an accrual year as part of the written notice of changes to employment terms required under state law prior to the date the change takes effect. A change to the start and end dates of an accrual year mustn't negatively impact an employee's ability to accrue ESST.

Employee eligibility determinations:

An employer must determine in good faith whether an employee is anticipated to perform work for at least 80 hours in a year for that employer in Minnesota.

For the purposes of this requirement, "good faith" means the employer, at a minimum, evaluated the employee's anticipated work schedule and location of hours worked in a manner that is not knowingly false or in reckless disregard of the truth. Employees anticipated to work or who actually work at least 80 hours in a year for that employer in Minnesota must receive ESST in accordance with the law.

Calculation of hours worked:

The determination of hours worked will be governed by the provisions in Minnesota Administrative Rules **Section 5200.0120** and **Section 5200.0121**.

For an employee exempt from overtime requirements, who uses ESST for an absence of a full workday, the employer is prohibited from deducting more ESST than the number of hours for which the employee is deemed to work for the purposes of accruing ESST each workday.

Indeterminate shifts:

The final rules also provide guidance for employees who work shifts of an indeterminate length, such as shifts that depend on business needs rather than a fixed number of scheduled hours. When an employee uses ESST for an absence from such a shift, an employer may deduct ESST using only one of the following methods:

- The number of hours worked by the replacement worker, if any;
- The number of hours worked by the employee during the most recent similar indeterminate shift; or
- The greatest number of hours worked by a similarly situated employee who worked the shift.

If the employee begins an indeterminate shift and then uses ESST for the remainder of the shift, the employer must reduce the ESST deduction by the number of hours the employee already worked.

Accrual crediting:

Under the final rules, ESST must be credited to an employee for each pay period based on all hours worked no later than the regular payday after the end of each corresponding pay period. ESST time is considered accrued when the employer credits the time to the employee.

An employer isn't required to credit employees with less than hour-unit increments of ESST.

Rehires:

An employee rehired by the same employer within 180 days of the employee's separation is entitled to a maximum reinstatement of 80 hours of previously accrued but unused ESST, unless the employer agrees to a higher amount or an applicable statute, regulation, rule, ordinance, policy, contract, or other legal authority requires a greater amount.

Frontloading:

When an employer frontloads or advances ESST to an employee for the remainder of the accrual year:

- The advanced amount must be calculated at no less than the rate required by law.
- Employers are not required to advance more than 48 hours of ESST unless another legal requirement applies.
- If the advanced amount is less than the amount the employee would have accrued based on actual hours worked, the employer must provide additional ESST within 15 calendar days after the employee exceeds the anticipated hours worked.

Changing methods:

Any change to an employer's method of providing ESST must be communicated to the employee in writing and isn't effective until the first day of the next accrual year.

An employer must provide notice of a change to the accrual method as part of the written notice of changes to employment terms under Minnesota law. If an employer fails to provide timely notice, the prior accrual method remains in effect, unless the employee agrees otherwise.

Employee use:

The final rules make clear that employers are prohibited from requiring an employee to use ESST. Employees have the right to choose whether to use ESST for a qualifying purpose. The rules state that when an employee requests not to use ESST for an absence, that leave isn't subject to ESST's statutory protections.

Documentation:

If the employer is permitted to require reasonable documentation under the law and intends to enforce such a requirement, the requirement must be clearly communicated to the employee, and the employee must be given a reasonable amount of time to provide the reasonable documentation.

Misuse:

The final rules define misuse as when an employee uses ESST for a purpose not covered by the law. Misuse isn't covered by the protections for ESST. Misuse may be subject to employer discipline.*

An employer is permitted to require reasonable documentation from an employee when there is a pattern or clear instance of suspected misuse. Under the final rules, a pattern or clear instance of suspected misuse includes, but is not limited to:

- An employee repeatedly used ESST on their scheduled workday immediately before or after a scheduled day off, vacation, or holiday;
- An employee repeatedly used increments of ESST of less than 30 minutes at the start or end of a scheduled shift;
- An employee used ESST on a day for which the employer previously denied the employee's request to take other paid leave; or
- Documentation or other evidence that conflicts with the employee's claimed use of ESST.

Employers are prohibited from denying an employee the use of ESST for a qualifying purpose based on previous misuse of or the employer's suspicion that the employee may misuse ESST.

* Employers should consult legal counsel before disciplining an employee for misuse of ESST.

Incentives and attendance programs:

The final rules clarify how ESST may affect attendance-based bonuses, rewards, and other workplace incentives. If a bonus, reward, or incentive is tied to achieving a specified goal, such as hours worked, products sold, or perfect attendance, an employer may deny the incentive when an employee fails to meet the goal because of ESST use. However, an employer is prohibited from treating employees who use ESST less favorably than employees on other forms of leave when administering incentive programs.

More generous employer leave policies:

The final rules recognize that employers may provide paid leave benefits that are more generous than the minimum ESST requirements. However, when an employer chooses to satisfy its ESST obligations through a broader paid time off or leave policy, the portion of leave used to meet Minnesota's ESST requirements remains subject to the law's standards and protections.

Next steps:

- Confirm how your organization defines and communicates its accrual year.
- Verify employee eligibility determinations are made in good faith using anticipated schedules and Minnesota work locations.
- Ensure ESST accrues based on all applicable hours worked.
- Review payroll processes to ensure accrued ESST is credited no later than the regular payday after each pay period.
- Verify tracking of rehired employees and reinstatement of eligible ESST balances.
- Update documentation request procedures.
- Train managers on misuse standards and documentation rules.
- Make sure employees are not required to use ESST.

Virginia expands RetirePath

Impacted employers: Employers with five or more employees who do not offer a qualified employer-sponsored retirement plan.

Effective date: July 1, 2026

Summary: Virginia has enacted legislation which expands the number of employers that may be required to participate in the RetirePath Virginia program.

Next steps: Review employee counts to determine eligibility and review payroll processes to ensure timely transmission of contributions.

The details:

Virginia has enacted legislation (House Bill 176), which expands the number of employers that may be required to participate in the **RetirePath Virginia**. House Bill 176 took effect **July 1, 2026**.

Background:

A Virginia employer with 25 or more employees, whose business has operated for two or more years and does not offer a qualified employer-sponsored retirement program, must:

- Offer an employer-sponsored retirement program; or
- Register for **RetirePath**.

House Bill 176:

Effective July 1, 2026, House Bill 176 expands the definition of "eligible employer" to include employers with *five* or more employees for the period ending December 31 of the preceding calendar year prior to the program's open enrollment period for that calendar year.

The law also:

- Clarifies that employers who offer and sponsor a qualified retirement plan, including 401(k) plans, are not required to register for RetirePath;
- Removes the requirement that eligible employees work at least 30 hours a week; and
- Adds the requirement that participating individuals enrolling in the program be at least 18 years old.

Contributions:

Employees have 30 days after an employer has registered for RetirePath to opt out or adjust their contribution rate.

An eligible employer that withholds a contribution from a participating employee's wages in connection with RetirePath program must remit the contribution on the earliest date that the amount withheld from the eligible employee's compensation can be transmitted.

Note: This amount **must be remitted no later than 10 business days** following the date that the eligible employee's contribution amount was withheld from the employee's paycheck.

Registration process and deadlines:

RetirePath Virginia sends a series of emails or letters to eligible employers when it's time to register. These communications include a unique Access Code, registration deadline and instructions.

If you have not yet received a RetirePath notification with your Access Code, you can **request an Access Code be generated for your business**. If you have misplaced your previously issued Access Code, you can **retrieve your Access Code via email**.

Employers that already offer a qualified plan or are otherwise exempt from the Commonwealth's mandate can certify an exemption.

Employers eligible in 2026, must register and facilitate the program by the following deadlines:

- For employers with 10-24 employees, the registration deadline is September 30, 2026.
- For 5-9 or 25 or more employees, the registration deadline is October 30, 2026.

The deadline has passed for employers that were eligible before 2026.

Penalties:

An employer that is found to have violated the law may face penalties.

Next steps:

- Determine whether the business meets the employee threshold criteria that require them to have an employer-sponsored retirement program or to register with RetirePath;
- Review payroll processes to ensure timely transmission of withholdings.

Washington State updates Fair Chance Act guide

Impacted employers: Employers with 15 or more employees.

Effective date: July 1, 2026

Summary: The State of Washington issued a revised guide on **the Washington Fair Chance Act**.

Next steps: Distribute the updated guide where required and **monitor the Attorney General's website** for further notice materials from the state.

The details:

The State of Washington has **released an updated version of the guide** that must accompany the requisite notice under the state's amended Fair Chance Act.

Background:

As a reminder, **effective July 1, 2026**, the State of Washington **amended its Fair Chance Act** (the "Act") to require an employer with 15 or more employees to provide written notice of certain requirements of the Act and a copy of the *Washington Attorney General's Fair Chance Act Guide for Employers and Job Applicants* when:

- The employer discloses that a position is subject to a background check after a conditional job offer; or
- An applicant voluntarily discloses their criminal history.

Washington has now posted a **revised version of the guide** on the Attorney General's website, which employers should use to accompany the requisite notice.

Note: The Fair Chance Act amendments take effect for employers with fewer than 15 employees on **January 1, 2027**.

Next steps:

Review the revised guide and **monitor the Attorney General's website for further notice materials from the state** to help satisfy employers' Fair Chance Act requirements.

Local

New York City issues final amended earned sick and safe time rules

Impacted employers: New York City employers.

Effective date: July 23, 2026

Summary: New York City has issued final amendments to the rules that implement the City's Earned Sick and Safe Time Act (ESSTA). The final amended rules provide guidance on how to administer the law's expanded leave requirements, and impose new administrative and recordkeeping obligations.

Next steps: Review the final amended rules and update leave, time off, and recordkeeping policies to help comply with the changes by **July 23, 2026**.

The details:

The New York City Department of Consumer and Worker Protection (DCWP) has issued final amendments to the rules that implement **the Earned Safe and Sick Time Act (ESSTA).** The **final amended rules** take effect **July 23, 2026.**

Background:

The **DCWP** had previously released the following resources:

- **Proposed Rules** related to the ESSTA.
- Updated **Frequently Asked Questions**.
- **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.

Final amended rules:

The final amended rules adopt many of the **proposed ESSTA rules** and provide guidance on how to administer the new 32-hour unpaid protected time off entitlement available on the employee's first day of employment and first day of each calendar year.

The DCWP has also added the following employer requirement: Employee Recordkeeping Access.

The final rules confirm that an employer using an electronic system to issue pay statements or other documentation must make protected time off information available to employees.

The final rules also require an employer to provide a separated employee with either:

- A written statement containing the required leave information no later than one week after their final payday; or
- Continued access to the electronic system for six months following their separation.

Pay statements:

Under existing rules, pay statements must inform employees of the amount of protected time off accrued and used during the relevant pay period.

The final amended rules make clear that these pay statements must also differentiate between the paid and unpaid protected time off.

Written policies:

Existing rules require employers to maintain written protected time off and paid prenatal leave policies in a single writing. The policy must include several provisions specified in the rules.

The final amended rules require the following additional information to be included in the written policy: the amount of unpaid protected time off (a minimum of 32 hours) provided, and that such time is immediately available for use on the first day of employment and the first day of each new calendar year.

Leave clarifications:

The final amended rules implement Local Law 145 of 2025, which expanded the reasons employees may use the leave.

The DCWP also expanded and clarified requirements for the new 32-hour unpaid protected time off bank. Under the final amended rules: an employer:

- May provide **some or all** of the 32 hours as paid leave.
- Must generally apply the paid protected time off first unless the employee specifically requests to use unpaid time (when both are available).
- Should provide paid leave when necessary to:
  - Comply with other legal obligations; or
  - Preserve exemptions under federal or state wage-and-hour laws, including **the Fair Labor Standards Act (FLSA) salary basis test**.

In addition, the final amended rules make clear that providing paid versions of the 32 immediately available hours does not eliminate or reduce an employer's separate obligation to provide paid time off under the ESSTA's accrual or frontloading requirements.

See **the final amended rules** for examples of how to navigate protected time off use, such as when the business grows and requires an employer to provide more paid protected time off.

New rehire requirements:

If an employee separates from employment and is rehired during the same calendar year, the employer must reinstate the employee's unused portion of the 32 hours immediately available unpaid protected time off (as opposed to an automatic new bank of 32 hours).

Next steps:

Review the final amended rules and update leave, time off, and rehire policies to help comply with the changes by **July 23, 2026**.

Minimum Wage

Minimum Wage Announcements – 6/21/26 – 7/20/26

There were no minimum wage announcements for the period of June 21 through July 20, 2026.

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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