

Eye on State and Local Compliance

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

September 26, 2025



State/Territory/District

California Increases Minimum Pay Requirements for 2026

The Details:

The general minimum wage in California will increase from \$16.50 per hour to \$16.90 per hour on **January 1, 2026**. The change is a result of an annual adjustment for inflation and will also affect the minimum salary required to be classified as exempt from overtime under state law.

The state also has separate minimum wages for fast-food and healthcare workers. Several local jurisdictions in the state also have their own minimum wages. If an employee is covered by both a state and a local minimum wage, you should generally comply with the rate most generous to the employee.

Employers should ensure that they display up-to-date state and local minimum wage notices.

Minimum Salary Required for Overtime Exemption:

By way of background, California has exemptions from overtime for bona fide administrative, professional, and executive employees. To be exempt from overtime, these employees must meet certain state salary and duties tests.

Under one of these tests, the employee 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 on January 1, 2026, the minimum salary thresholds for these exemptions will also increase.

As such, for the administrative, professional, and executive exemptions from overtime under state law, employers must pay a salary of at least \$1,352 per week beginning **January 1, 2026**.

Note: The state also adjusts the minimum salary requirements for overtime exemptions for physicians and computer professionals on an annual basis, but the state hasn't announced these changes yet.

Next Steps:

Ensure that non-exempt employees are paid at least the new minimum wage, that exempt employees are paid at least the new minimum salary required, and that you post an updated minimum wage notice.

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State/Territory/District

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Illinois Amends Blood and Organ Donation Leave Law

Illinois has enacted legislation that amends the state's Employee Blood and Organ Donation Leave Act to also entitle part-time employees to paid organ donation leave. The change is a result of the enactment of House Bill 1616 and becomes effective **January 1, 2026**.

The Details:

Prior to House Bill 1616, the Employee Blood and Organ Donation Leave Act required employers with more than 50 employees to provide up to 10 days of paid leave in any 12-month period so that full-time employees may serve as an organ donor.

Effective **January 1, 2026**, House Bill 1616 amends the law so that part-time employees will also be entitled to the 10 days of paid leave for organ donation, provided they work for an employer with more than 50 employees. Like full-time employees, part-time employees may use the leave only after obtaining approval from the employer.

For part-time employees using leave to serve as an organ donor, the employer must calculate the daily average pay the part-time employee received during their previous months of employment and compensate the part-time employee in the amount of the daily average pay for the leave days used.

Note: The Employee Blood and Organ Donation Leave Act also requires employers with more than 50 employees to provide paid leave to full-time employees for blood donation. House Bill 1616 didn't extend this entitlement to part-time employees.

Next Steps:

Review policies, practices and training to ensure compliance with the amended law.

Illinois Clarifies Pay Rules for Breaks for Nursing Mothers

Illinois has enacted legislation clarifying that employers must pay employees at their regular rate of compensation during breaks taken under the state's Nursing Mothers in the Workplace Act. The clarification is a result of the enactment of Senate Bill 212 and is effective **January 1, 2026**.

The Details:

By way of background, the Illinois Nursing Mothers in the Workplace Act requires employers to provide reasonable break time to an employee each time the employee needs to express breast milk for her nursing infant child for one year after the child's birth. The break time may run concurrently with any break time already provided to the employee.

Prior to Senate Bill 212, the Nursing Mothers in the Workplace Act included a provision that simply stated that an employer is prohibited from reducing an employee's compensation for time used for the purpose of expressing milk or nursing a baby.

Senate Bill 212 amends the law to clarify that:

- Employers must compensate the employee during the break time at the employee's regular rate of compensation.
- Employers are prohibited from requiring an employee to use paid leave during the break time or reducing the employee's compensation during the break time in any other manner.

An employer must provide paid reasonable break time as needed by the employee, unless to do so would create an undue hardship.

Next Steps:

Review policies, practices, and training to ensure compliance with the amended law.

Reminder: Key Compliance Milestones Approach for Minnesota's Paid Leave Program

The Details:

Key employer responsibilities under Minnesota's paid family and medical leave program begin soon. These responsibilities include notifying employees and new hires of the program, withholding and remitting employee contributions, making employer contributions, providing leave to employees for covered absences, and applying for small-business-assistance grants.

Background:

In 2023, Minnesota enacted legislation that created a paid family and medical leave program in the state. The program covers all employers with at least one employee performing services for wages. Employers may adopt a private plan instead of participating in the program, provided it meets or exceeds the requirements of the law.

Employer Notice:

Under the law, employers must notify their employees about the program. Employers must issue a notice to each employee no more than 30 days from the beginning date of the employee's employment, or by **December 1, 2025**, whichever is later.

The notice must be provided in the primary language of the employee and include the following information:

1. An explanation of the availability of family and medical leave benefits provided, including rights to reinstatement and continuation of health insurance;
2. The number of premium deductions made by the employer;
3. The employer's premium amount and obligations;
4. The name and mailing address of the employer;
5. The identification number assigned to the employer by the State Department of Employment and Economic Development (DEED);
6. Instructions on how to file a claim for family and medical leave benefits;
7. The mailing address, email address, and telephone number of the Department of Employment and Economic Development (DEED); and
8. Any other information required by the Department of Employment and Economic Development (DEED).

Employers must also obtain a written or electronic acknowledgment of receipt of the information, or a signed statement indicating the employee's refusal to sign such acknowledgment.

The notice may be provided in paper or electronic format. For notice provided in electronic format only, the employer must provide employee access to an employer-owned computer during an employee's regular working hours to review and print required notices.

Employers must also display a [poster](#) in the workplace in English and any language spoken by five or more employees.

Other Key Milestones:

Contributions (Premium Payments):

The program will be funded by contributions from employers and employees. Employers may begin deducting employee contributions on **January 1, 2026**. For more information on contributions [go here](#).

The first batch of contributions is due to the state by **April 30, 2026**.

Providing Leave and Reinstating Employees:

Effective **January 1, 2026**, employees may begin receiving benefits under the program. The program will cover the following absences:

- For pregnancy or to recover from giving birth;
- For an employee's own serious health condition;
- To bond with a new child;

- To care for a family member with a serious health condition or a family member who is a military member (family care leave);
- A need arising out of a military member's active duty service or notice of an impending call or order to active duty in the United States Armed Forces; and/or
- So the employee or a family member may seek medical attention, victim services, counseling, relocation, or legal advice because of domestic abuse, sexual assault, or stalking.

Upon return from leave, subject to certain limitations, an employee who has worked at least 90 days for an employer is entitled to be returned to the same position the employee held when leave commenced, or to an equivalent position with equivalent benefits, pay, and other terms and conditions of employment.

Small Employer Grants:

Beginning **January 1, 2026**, eligible small employers may apply to the Department of Employment and Economic Development for grants. The grants must be used to hire temporary workers or to increase wages for current employees, because another employee is on leave under the program.

Next Steps:

- Provide and display the required notice by December 1, 2025.
- Prepare to begin withholding contributions on January 1, 2026.
- Train supervisors on how to handle leave requests.
- Begin providing leave for the covered reasons by January 1, 2026.

Nevada Requires Civil Air Patrol Leave

Nevada has enacted legislation (Assembly Bill 422), which requires employers to provide unpaid leave to volunteer members of the Nevada Wing of the Civil Air Patrol for training or emergency missions. It is effective **October 1, 2025**.

The Details:

Under the law, an employer must provide the following amounts of unpaid leave per federal fiscal year to a volunteer employee with Nevada's Wing of Civil Air Patrol:

- Up to 10 workdays to train for emergency missions (including search and rescue and disaster response); or
- Up to 30 workdays to respond to an emergency mission.

Employee Notice Requirement:

The law requires an employee to:

- Notify their employer of their wish to join the Civil Air Patrol as a volunteer member.
- Provide their employer with the following when they request Civil Air Patrol Leave:
 - o Certification that they are authorized by the United States Air Force, the Governor or a political subdivision of the State to respond to or train for an emergency mission; and
 - o The Civil Air Patrol's verification of the emergency need for their volunteer service.

Employer Notice Requirement:

Excluding the covered reasons for leave, an employer that chooses not to allow an employee to participate in the activities of a reserve unit or Civil Air Patrol unit during the employee's normal working hours must notify the employee as soon as practical after the employee requests leave.

Non-Retaliation:

Assembly Bill 422 prohibits employers from:

- Retaliating against an employee who exercises their right to Civil Air Patrol leave. An employee must retain their position, seniority, accrued leave or benefits on all days they are on leave; and

- Requiring an employee to exhaust any other leave that they are entitled to before taking Civil Air Patrol leave.

Next Steps:

Review and update leave policies. Train supervisors on the changes under the law.

Nevada Strengthens Child Labor Protections

Effective **October 1, 2025**, Nevada has enacted legislation (Assembly Bill 215), which places restrictions on the working hours of minors, among other things.

The Details:

Currently, under Nevada state law, a child under 16 years old can't work (other than as a performer in a motion picture or as a farm worker) more than eight hours per day or more than 48 hours in a workweek. Existing law also requires all employers in Nevada to conspicuously post on the premises where any person is employed a printed abstract, furnished by the Nevada Labor Commissioner (the Commissioner), of the provisions relating to compensation, wages and hours of employment.

Assembly Bill 215:

Assembly Bill 215 amends Nevada State Law to:

- Prohibit a child from working the hours between 11 p.m. and 6 a.m., when those hours precede a school night, if the child is enrolled at a public or private high school, is between 16 and 19 years old and is not emancipated under the law.

Note: A school district (or other governing body of the high school or juvenile court) may grant an exemption from these restrictions, if the entity determines that the exemption is in the best interest of the child.

- Limit a child's weekly hours to 40 hours per week.
- Expand the jobs a child may work at to include being lifeguard, employee of an arcade or a stage or theatrical performer. See the [text of the law](#) for further details.

The amendment also makes clear that a violation of the Federal Fair Labor Standards Act (relating to the hours of work and conditions of employment allowed for a child under 16 years old) will also be considered a violation of state law.

Required Notice:

Employers must post an abstract (to be created and furnished to employers by the Commissioner) on the child labor components of Assembly Bill 215.

The Commissioner will:

- Create the abstract;
- Post the abstract to the Nevada Labor Commissioner's website; and
- Include the abstract in a two-dimensional bar code (also known as a QR code), or other machine-readable bar code that stores an Internet address.

Next Steps:

Review and update leave policies. Train supervisors on the changes under the law.

Oregon Enacts Employee Overpayment Legislation

The Details:

Oregon has enacted [SB 968](#), effective **January 1, 2026**, which provides specific guidance to employers regarding the collection of wage overpayments from employees.

Background:

Current Oregon law (ORS 652.610) provides that an employer may not withhold, deduct or divert any portion of an employee's wages unless one of the following applies:

- The employer is required to do so by law.
- The deductions are voluntarily authorized in writing by the employee.
- Deductions are for the employee's benefit and are recorded in the employer's books.
- The employee has voluntarily signed an authorization for a deduction for any other item, provided that the ultimate recipient of the money withheld is not the employer and the deduction is recorded in the employer's books.
- The deduction is authorized by a collective bargaining agreement to which the employer is a party.
- The deduction is authorized under ORS 18.736.
- The deduction is made from the payment of wages upon termination of employment and is authorized pursuant to a written agreement between the employee and employer for the repayment of a loan made to the employee by the employer.

Effective January 1, 2026, for employees not covered by a collective bargaining agreement, employers may make deductions from wages to recover erroneous overpayments under the following conditions:

- The overpayment must have occurred within the 90 days preceding the deduction.
- The employer must give at least 14 days for the employee to acknowledge the overpayment in writing.
- The employer must provide a written statement with details of the overpayment and the deduction plan, specifying that the deduction will not exceed 10 percent of the employee's gross pay per pay period, unless the employee agrees to a higher percentage.
- The employee must acknowledge receipt of this information in writing. For employees covered by a collective bargaining agreement, deductions for overpayments are permitted under the terms of the agreement.

Note: The amendments made pursuant to [SB 968](#) apply to collective bargaining agreements entered into, renewed, or extended on or after January 1, 2026.

Next Steps:

Effective January 1, 2026, Oregon employers may begin to utilize the steps provided in SB 968 to collect overpaid wages from their employees.

Rhode Island Defines Retail Employer

The Rhode Island Department of Labor and Training (DLT) has released guidance in the form of Frequently Asked Questions that clarify the definition of a retail employer.

The Details:

By way of background, [state law](#) requires non-exempt employees to be paid one and a half times their regular rate of pay for hours worked over 40 hours in a week, and for work on Sundays and certain holidays. Non-retailer employers must account for Sunday/holiday time separately and pay time and half for all hours worked during those times. However, for retail employers, the hours worked on Sundays and/or holidays [are excluded when calculating weekly overtime pay](#), providing an advantage to employers who are classified as retailers.

Previously, Rhode Island had not issued a formal definition for a retail employer.

Example of Retailer/Non-Retailer Premium Pay Requirements:

If an employee works 50 hours per week (eight of which are on Sunday), the breakdown of pay under the law could look as follows:

Non-Retailer:

- 32 hours at straight-time,
- 8 hours at time-and-a-half for Sunday work, and
- 10 hours at time-and-a-half for hours worked over 40.

Retailer:

- 40 hours at straight-time, and
- 10 hours at time-and-a-half, covering both the Sunday work and the overtime.

Essentially, a retail business employer could count the Sunday/holiday premium toward overtime pay, paying 40 hours of straight-time, and the 10 hours at time-and-a-half would cover the Sunday work and the overtime. Whereas the non-retailer would be required to pay 32 hours of straight-time, eight hours at time-and-a-half (for the hours worked on Sunday), and 10 hours at time-and-a-half for the hours worked over 40 (also known as stacking or pyramiding of overtime).

Retail Business Defined:

The DLT updated its guidance in the form of [Frequently Asked Questions](#), and now [defines a retail business](#) as an establishment that engages primarily in the sale of goods or services directly to the general public (operates at the end of the distribution chain and sells in small quantities to the ultimate consumer in a manner consistent with other consumer goods and services).

The following are not considered retail businesses:

- Businesses engaging primarily in resale, wholesale transactions or manufacturing;
- Businesses primarily preparing and selling food for immediate consumption; and
- Wholesale operations serving other businesses (rather than individual consumers).

Next Steps:

Determine whether your business [qualifies as a retail business](#) and follow applicable Sunday and holiday premium calculations.

Local

City of Los Angeles Hotel Worker Minimum Wage Now in Effect

The Details:

City of Los Angeles Ordinance 188610, which raises the minimum wage to \$22.50 for employees working at hotels with 60 or more rooms, was originally slated to go into effect on July 1, 2025.

However, business groups launched a referendum campaign to overturn Ordinance 188610 so the implementation of the new pay rate of \$22.50 (up from \$21.01) was put on hold pending the outcome of the petition effort.

On September 8, 2025, the City Clerk of Los Angeles [announced](#) that the petition effort to overturn Ordinance 188610 had failed due to insufficient signatures and that the \$22.50 rate of pay was now in effect.

Next Steps:

Effective **September 8, 2025**, hotel employers with 60 or more rooms must pay their employees at least \$22.50 per hour.

Minimum Wage

Minimum Wage Announcements – 8/21/25 – 9/20/25

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
City of Los Angeles (Hotel Workers – 60 or more rooms)	\$22.50	\$22.50*	9/8/25	Yes	Press Release
Connecticut	\$16.94	\$6.38 Waitstaff \$8.23 Bartenders \$16.00 All other Tipped Employees	1/1/26	Yes	Once available posted here
Florida	\$14.00	\$10.98	9/30/25	No	
Maine	\$15.10	\$7.55	1/1/26	Yes	Once available posted here
Minnesota	\$11.41	\$11.41*	1/1/26	Yes	Once available posted here
St. Paul, MN	\$16.37	\$16.37*	1/1/26	Yes	

*CA and MN 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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