2026

FEBRUARY LEGAL UPDATES

Information on new laws and regulations, amendments to existing laws, and reminders of recent federal and state legal updates.

VensureHR

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Federal Legal Update

New Rules and Dates for Skilled Worker Visa Lottery

On Jan 30, 2026, USCIS announced the FY 2027 H-1B registration for March 4 through 19, with selections by March 31 and petition filing from April 1, 2026.

Effective February 27, 2026, a wage-weighted rule gives each beneficiary 1 to 4 entries based on the Department of Labor wage level, building on the beneficiary-centric rule from Mar 4, 2024.

This update is applicable to all employers seeking to sponsor new workers, cap subject skilled worker (H 1B) beneficiaries for FY 2027 and takes effect on March 4, 2026.

Overview

USCIS set the Fiscal Year 2027 registration window for March 4 - 19, 2026, with selection notices by March 31, 2026, and petitions filed beginning April 1, 2026.

Two waves of changes now govern cap season:

- **2024 integrity and fairness rules (in effect since March 4, 2024, for FY 2025):**
  - **One entry per person:** A beneficiary is entered once, no matter how many employers register them. If selected, each registering employer may file a petition.
  - **Start date flexibility:** Petitions may request any start date on or after October 1st of the fiscal year.
  - **Passport requirement:** Each registration must include the same valid passport or travel document the beneficiary will use to enter the United States; no multiple documents per person.
  - **Stronger denial/revocation authority:** USCIS may deny or revoke if identifying data do not match, attestations are false/invalid, fees are invalid, or the petition is not tied to a valid registration.
- **2026 selection and process updates (effective February 27, 2026, for FY 2027):**
  - Wage weighted selection: Each unique beneficiary receives 1 - 4 entries based on the Department of Labor prevailing wage level for the offered job (Level I=1, II=2, III=3, IV=4).
    - If multiple employers register the same beneficiary, USCIS still treats the beneficiary as a single unique entry in the lottery. Each registration carries its own wage level, and the wage weighted entries are assigned based on

What Employers Need to Do

- Set up and verify USCIS organizational access before the registration window opens.
- Identify candidates early to ensure timely and accurate submissions.
- Lock down role details - final SOC code, worksite(s), offered wage, and prevailing wage level that will appear in registration and match the petition.
- Collect passport/travel document data early; ensure one document per beneficiary across all registrations.
- Plan start dates on or after October 1st as business needs require.
- Budget for the $215 registration fee and, the mandatory $100,000 supplemental petition fee for consular-processing cases involving beneficiaries outside the United States.
- Quality-check every field (names, dates, wage level, SOC, location) to avoid denial/revocation triggers.

Why This Matters

- **Equalized odds per beneficiary:** Multiple registrations for the same person no longer increase selection chances, preventing 'gaming' of the lottery.
- **Selection tied to wage level:** The offered wage determines the prevailing wage level used in the weighted lottery, which increases odds for higher paid or hard to fill roles and lowers odds for entry level roles.
- **Higher compliance stakes:** Mismatched data, duplicate documents, or inaccurate wage/SOC details can trigger denial or revocation.
- **Budget and timing impacts:** Beyond the $215 registration fee and the mandatory $100,000 petition stage cost; petition filing still follows a tight April/June window with start dates on/after October 1.

the wage level associated with each specific registration— not the lowest level across employers.

- **Organizational accounts:** Employers must use USCIS organizational accounts (not individual accounts).
- **More detail at registration:** Provide job title, Standard Occupational Classification (SOC) code, work location, and wage level.
- **Potential $100,000 fee at petition stage:** A Presidential Proclamation requires this fee for certain new petitions - primarily for beneficiaries outside the U.S. requiring consular processing, with limited exemptions. Change-of-status filings inside the United States are not subject to this fee.

Additional Information

- **Registration Period and Fees (FY 2027):**
  - **Opens:** March 4, 2026 (12:00 PM ET)
  - **Closes:** March 19, 2026 (12:00 PM ET)
  - **Fee:** $215 per beneficiary.
  - **Selection notices:** by March 31, 2026.

- Filing Window: April 1–June 30, 2026.
  - Employment start: on/after October 1, 2026.
  - If USCIS receives fewer registrations than the cap, all compliant entries may be selected.

- Caps and Eligibility Reminders:
  - The annual limit remains 85,000 (65,000 regular + 20,000 U.S. advanced degree).
  - The lottery applies only to new cap subject cases, not to extensions, amendments, most employer changes for already cap counted workers, or cap exempt employers (e.g., higher education and certain research organizations).
  - Roles must qualify as specialty occupations (a bachelor’s degree in a specific specialty, or equivalent, is required; the beneficiary must hold a related degree or equivalent).

Source References

- USCIS - FY 2027 H-1B Cap Initial Registration Period Opens on March 4 (January 30, 2026)

Resources

- USCIS - Online Account
- USCIS – myUSCIS

Federal Legal Update

Court Restores Limits on Diversity Programs in Federal Funds

On February 6, 2026, the United States Court of Appeals of the Fourth Circuit, set aside a lower court order that had temporarily blocked parts of Executive Order 14151 and Executive Order 14173. The court said the challenged provisions are not unconstitutional on their face, and it sent the case back to the trial court for further review.

Executive Order 14151 and 14173: These executive orders require federal agencies to end certain "equity related" grants and contracts and add Diversity, Equity, and Inclusion (DEI)related compliance certifications to federal funding agreements.

As a result, organizations that receive federal contracts or grants must continue operating in an environment where enforcement may resume, but future lawsuits can still challenge how the orders are applied in specific situations.

This update is applicable to all employers that receive federal contracts or federal grant funding and takes effect on February 6, 2026.

Overview

- **Applicability:** Private employers with no federal funding are not directly affected but may find the DEI risk principles relevant.
- **What the executive orders target:** The orders focus largely on federal contracts and federal grant funding, directing agencies to end certain diversity-related government activities and to add compliance terms to funding agreements.
- **Key Provisions at Issue:**
  - **Termination provision (Executive Order 14151):** Directs agencies to terminate "equity-related" grants or contracts to the maximum extent allowed by law.
  - **Certification provision (Executive Order 14173):** Requires federal contracts and grants to include terms requiring recipients to certify compliance with federal anti-discrimination laws, and to certify they do not operate diversity programs that violate those laws; the provision references the False Claims Act risk tied to false statements.
  - **Report provision (Executive Order 14173):** Directs the government to produce a plan to deter diversity programs that constitute illegal discrimination or preferences.

What Employers Need to Do

- **Inventory the federal funding exposure** - identify which business units, entities, or programs receive federal grants or hold federal contracts, and who signs funding certifications.
- **Review current and upcoming contract/grant language** - Flag provisions that:
  - Require certification about diversity-related programs.
  - State compliance is "material" to payment.
  - Reference consequences tied to false statements (including those under the False Claims Act).
- **Document a good-faith compliance basis before signing** - Create a short internal record showing:
  - What programs were reviewed.
  - What legal standards were used.
  - What changes (if any) were made.
  - Who approved the certification.
- **Check people programs for common legal risk triggers** - Pay special attention to practices that can be viewed as decision-making based on protected traits, such as:
  - Quotas
  - Preferential treatment tied to protected characteristics.
  - Exclusionary Eligibility Rules
  - Stereotyping or assumptions in selection processes.
- **Strengthen complaint channels and consistent investigations** - Ensure employees have clear ways of reporting concerns and that investigations are handled consistently and documented.
- **Prepare for "as applied" disputes** - If a grant is paused/terminated or a certification demand appears broader than the law allows, route it quickly to legal review and preserve the record for a potential challenge based on the specific facts.

Federal Legal Update

- **Why the appeals court removed the injunction:**
  - The judges explained that stopping the orders completely ("across the board") is only allowed when an order is obviously unconstitutional in every circumstance. The challengers could not show that.
  - They also ruled that the plaintiffs were not allowed to challenge the reporting requirement because any harm they described depended on a long chain of "what if" events, not something actually happening now.

Why This Matters

- **Federal contractors and grant recipients may again see these requirements in their agreements.** The decision removes the nationwide preliminary block that had paused parts of the orders, increasing the likelihood of contract/grant language requiring certifications and related compliance statements.
- **Risk shifts to how it is enforced.** The court's approach signals that future disputes are more likely to center on specific terminations, specific certification demands, or specific agency interpretations, rather than a single court order stopping the policy nationwide.
- **Anti-discrimination laws still apply.** Regardless of the orders, employers remain subject to federal anti-discrimination obligations; what changes is the enforcement posture and how federal funding conditions may be used to drive compliance expectations.

Source References

- Federal: DEI Restrictions on Hold Pending Supreme Court Review (VensureHR)
- US Court of Appeals - Fourth Circuit - No. 25-1189 (February 6, 2026)

Federal Legal Update

EEOC Rescinds Harassment Guidance

On January 22, 2026, the Equal Employment Opportunity Commission (EEOC) voted 2–1 to rescind its 2024 Enforcement Guidance on Harassment in the Workplace. The next day, the agency formally announced the change and removed the guidance from its website.

Federal protections remain unchanged. Discrimination or harassment based on sexual orientation or gender identity is still unlawful.

This update is applicable to employers covered by federal anti-discrimination laws (employers with 15 or more employees for at least 20 weeks in the current or preceding calendar year) and reflects the EEOC's rescission of its 2024 Harassment Guidance on January 22, 2026.

Overview

Why the Guidance was Pulled

- The portions addressing gender identity, pronouns, and access to sex segregated facilities were the immediate trigger for the vote.
- A federal court in Texas had already struck down relevant parts of the 2021 and 2024 guidance in May 2025.
- There is an internal process dispute: one commissioner argued a formal public comment period was required; the chair said the prior guidance exceeded the agency's authority.

What Changed

- The 2024 harassment guidance (including examples about bathrooms, dress codes, and pronouns) is rescinded and no longer in effect.
- This signals a shift in federal enforcement priorities at the federal level.

What Did Not Change

- Federal law still prohibits discrimination based on sex, including sexual orientation and gender identity, under the Supreme Court's Bostock decision.
- Courts are not bound by the agency's current position and will assess facts in context (severity, pervasiveness, intent, impact, and pattern).
- State and local anti discrimination laws remain fully in effect and may be more protective.

What Employers Need to Do

- **Policies and Training**
  - Keep clear, neutral anti harassment and anti discrimination policies that expressly cover sexual orientation and gender identity.
  - Train managers to spot patterns of conduct, not just isolated missteps.
- **Workplace Practices:** Review restroom, locker room, dress code, and name/pronoun practices for consistency, neutrality, and compliance with state and local law.
- **Reporting and Response:** Maintain multiple reporting channels, act promptly on complaints, document investigations, and apply discipline consistently.
- **Monitoring and Governance**
  - Track new court rulings and agency updates; the rescission could face procedural challenges.
  - Ensure consistent application across departments and locations.

Source References

- EEOC - Commission Votes to Rescind 2024 Harassment Guidance (01/23/2026)
- Federal: EEOC Planning to Roll Back Gender Ideology from Agency's Policy (VensureHR)

Resources

- EEOC - Harassment
- EEOC - Removing Gender Ideology and Restoring the EEOC's Role of Protecting Women in the Workplace (01-28-2025)
- Supreme Court Bostock Decision

Federal Legal Update

Why This Matters

- **Day-to-day expectations largely remain the same.** Employers must still prevent and correct unlawful discrimination and harassment.
- **Risk now turns more on context than on a per-se rule.** Isolated, promptly corrected misgendering is unlikely to create liability, while repeated, deliberate conduct, especially paired with ridicule or exclusion, can still support a hostile work environment claim.
- **Multi-jurisdiction operations are more complex.** State and city rules may impose independent obligations even as federal enforcement priorities shift.

Additional Information

Short Timeline

- **2020:** Supreme Court holds that discrimination based on sexual orientation and gender identity is sex discrimination.
- **2021:** Prior federal guidance on gender identity is issued and blocked in Texas.
- **2024:** EEOC updates harassment guidance with LGBTQ related examples.
- **January 2025:** New administration narrows federal recognition to two sexes and signals rollbacks.
- **May 2025:** Texas court strikes portions of the 2024 guidance (bathrooms, dress, pronouns).
- **January 22, 2026:** EEOC rescinds the 2024 harassment guidance.
- **Chair's reminder:** "Rescinding this guidance does not give employers license to engage in unlawful harassment; Federal laws remain firmly in place." - EEOC Chair Andrea Lucas.

Federal Legal Update

Reminder Federal: Family and Medical Leave Tax Relief, 2026

As a reminder for employers, the Internal Revenue Service (IRS) has extended federal transition relief through calendar year 2026 for the tax treatment of certain state-paid medical leave benefits attributable to employer contributions. This affects federal withholding employment tax, and information-reporting obligations, but does not change the state PFML benefit structures or contribution rates.

This update is applicable to all employers and took effect on January 1, 2026.

Overview

The IRS extended the PFML transition period through calendar year 2026, only for the portion of state paid medical leave benefits attributable to employer contributions.

States and employers are not required to apply third party sick pay withholding, employment tax, or related information reporting to those amounts, and no penalties will apply for these specific items.

- Notice 2026-06 extends the transition relief only for state-paid medical leave benefits attributable to employer contributions.
- The Notice also states that it does not extend the separate transition relief for employer “pick-up” contributions into 2026 and therefore contemplates employers will treat those pick-up contribution amounts as wages for federal employment tax purposes and report them on Form W-2.

Why This Matters

- Employers in PFML jurisdictions can defer implementing third party sick pay payroll and reporting mechanics for state paid, employer funded medical benefits until after 2026, avoiding rework and penalties in 2026.
- At the same time, employer pick ups remain taxable wages in 2026, so payroll, W 2 reporting, and employment tax deposits must now reflect that.

Key Risks for Employers

- Failing to treat employer pick-ups as taxable wages in 2026 (W-2 wages).
- Applying third-party sick pay rules too early in 2026 to state paid, employer funded medical benefits.
- Misclassifying wage vs. non-wage portions of medical vs. family benefits under Rev. Rul. 2025 4

What Employers Need to Do

- Employers should avoid implementing third party sick pay withholding/reporting in 2026 for state paid medical benefits attributable to employer contributions.
- Treat employer “pick up” contributions as taxable wages in 2026 and report on Form W 2; align tax deposits accordingly.
- **Confirm Payroll Coding:**
  - Employee PFML contributions are treated as taxable wages and must be reported on Form W 2.
  - Paid family leave benefits are taxable income but not wages, and the state generally reports them on Form 1099.
  - For paid medical leave benefits, the portion attributable to employer contributions is taxable and treated as wages, while the portion attributable to employee contributions (including employer pick ups) is excluded from gross income and not treated as wages, consistent with Rul. 2025 4.
- Plan for 2027: With transition relief ending January 1, 2027, monitor IRS updates and prepare systems for full third-party sick pay compliance.

Source References

- IRS Notice 2026-06 – Extension of Transition Period to Calendar Year 2026 for Certain Requirements in Revenue Ruling 2025-4 (December 19, 2025)
- IRS - 2026-2 IRB 313 - Internal Revenue Bulletin (January 5, 2026)
- IRS - Revenue Ruling 2025-4
- Federal: IRS Lends a Hand: Guidance to Treatment on Contributions to PFML Programs (VensureHR)

Federal Legal Update

Reminder Federal: NLRB Quorum Restored; Operations Resume

As a reminder for employers nationwide, recent U.S. Senate confirmations restored the National Labor Relations Board's (NLRB) quorum and confirmed a new General Counsel. The confirmations occurred on December 18, 2025, with the officials sworn in on January 7, 2026, allowing the Board to resume full adjudicatory and enforcement operations.

The National Labor Relations Board (NLRB) requires a three-member quorum from its five-member board to legally issue decisions, conduct hearings, and hold elections. Without three members, the Board cannot function, halting official actions and delaying case decisions.

This update is applicable to all employers and took effect on January 7, 2026.

Overview

- The Board had been largely inoperable since early 2025 due to vacancies following term expirations and the removal of a Board member and the prior General Counsel. Courts allowed those removals to take effect, although related constitutional challenges remain ongoing.
- During the lapse, NLRB regional offices continued investigating some unfair labor practice (ULP) charges and conducting elections, but the Board could not issue final decisions.
- With the confirmations, the Board now consists of two Republican members and one Democratic member (Chair David Prouty), restoring the statutory quorum needed to issue decisions and advance enforcement actions.

Why This Matters

- **Operations restart:** The NLRB can again decide election objections, issue decisions in ULP cases, and approve certain litigation steps (e.g., injunction requests).
- **Rulemaking may resume:** Potential topics include worker classification, representation procedures, and campaign speech.
- **Precedent likely holds (for now):** Under longstanding practice, the Board generally needs three members to overrule precedent; with a 2–1 split, major Biden era precedents are unlikely to be overturned immediately.
- **Judicial developments continue:** Federal appellate courts are actively considering challenges to the Board's structure and authority, which may drive further changes over the coming months.

What Employers Need to Do

- **Prepare for General Counsel guidance memoranda:** Be ready to align investigations, responses, and training with stated enforcement priorities.
- **Monitor rulemakings and litigation outcomes:** Assign ownership to monitor developments and update handbooks, supervisor training, and labor relations playbooks accordingly.
- Employers should compare and contrast their meeting policies applicable to this subject by reviewing the NLRB's position on the subject here: NLRB - Captive Audience Meetings.

Key Risks for Employers

- Renewed enforcement and backlog review may increase investigations, complaints, and litigation activity.
- Existing precedents remain in place until (and unless) a three-member majority moves to narrow or overturn them.
- Expanded remedies and stricter scrutiny in priority areas could raise exposure in ULP cases.
- Ongoing court challenges regarding removal protections for Board members and Administrative Law Judges (ALJs) may create continued procedural uncertainty.

Source References

- Congress - Senate Resolution (S.Res) 532 - An executive resolution authorizing the en bloc consideration in Executive Session of certain nominations on the Executive Calendar
- NLRB Quorum Announcement

State Legal Updates

State Legal Update

Maine Restricts Worker Monitoring and Requires Clear Notice

On January 11, 2026, Public Law Chapter 524 was enacted without the Governor's signature. The law sets new limits on how employers may monitor employees through electronic systems and introduces mandatory notice requirements. It is expected to take effect on July 14, 2026 (90 days after the Legislature's adjournment on April 15, 2026).

This update is applicable to all employers in Maine and takes effect on July 14, 2026.

Overview

What the law regulates: The law regulates electronic surveillance of employees, which includes monitoring through computers, mobile devices, communication systems, and other electronic or optical technologies.

What is Excluded

- Security or safety cameras used for legitimate security or workplace safety purposes.
- Location or safety-monitoring devices installed on employer-owned vehicles operated by employees.

Restrictions

- **No monitoring without advance notice:** Employers may not conduct covered electronic monitoring unless employees receive notice before monitoring begins.
- **Limits on monitoring in personal spaces:** Employers may not use audio or video monitoring in an employee's home, personal vehicle, or on the employee's property unless the monitoring is required for the employee's job duties.
- **Personal device protection:** Employees may refuse to install monitoring or data collection applications on their personal devices.

Notice Requirements

- **Applicants:** Employers using electronic surveillance must inform job candidates during the interview stage.
- **Employees:** Employers must give current employees written notice at least once per calendar year confirming that electronic monitoring is used.

Who is Covered

- **Employers:** Applies to all private and public employers in Maine (including the state and political subdivisions).
- **Employees:** The definition of "employee" is broad and includes individuals who provide services or labor in exchange for wages or other compensation.

What Employers Need to Do

1) Inventory monitoring activities: The employer should list all tools and processes used to electronically monitor employees and confirm which activities are covered by the law versus excluded (for example, security/safety cameras and vehicle safety or location systems on employer-owned vehicles).

2) Update policies and practices: The employer should update handbooks and technology/privacy policies, so they clearly describe what is monitored and ensure the descriptions match the law's limits, especially for audiovisual monitoring in personal spaces.

3) Establish required notices: The employer should create and implement notice procedures that include:

- A process to notify employees before monitoring begins.
- An interview-stage disclosure for job applicants.
- An annual written notice schedule for current employees confirming that monitoring occurs.

4) Rework personal device rules: Employers should plan for situations where employees decline to install monitoring or data-collection applications on their personal devices, as allowed under Maine law. When monitoring is required for job duties, employers should evaluate alternatives, such as providing company issued devices or shifting those tasks to systems the employer controls.

5) Train and document: The employer should train Human Resources and information technology teams on what monitoring is allowed, what is restricted, and how to deliver required notices. Employers should also maintain documentation showing when and how each notice was delivered.

Source References

- Maine LD 61 - An Act to Regulate Employer Surveillance to Protect Workers

Exception - personal care services settings: This section does not apply to surveillance devices installed by an employer, patient, client, or unpaid caregiver in settings where personal care services are expected (for example, daily living assistance, support with mobility, or medication reminders).

Enforcement and Penalties

- Enforced by the Maine Department of Labor; violations carry fines of $100 to $500 per violation.
- The Department of Labor may issue implementing rules.
- The law does not restrict employers from complying with other state or federal security, safety, or data-handling requirements.

Why This Matters

- **Operational impact:** Employers using productivity tools, GPS, device monitoring, or remote-work oversight tools may need to adjust how they monitor employees—especially for remote, hybrid, or field employees.
- **Hiring impact:** HR and hiring managers working for an employer who is using surveillance shall inform a prospective employee during the interview process that the employer engages in employer surveillance .
- **Employee relations considerations:** Employees can refuse monitoring apps on personal devices, which affects bring-your-own-device arrangements and device management practices.

State Legal Update

New Jersey Prevailing Wage Rules for Data Centers

On January 20, 2026, New Jersey Senate Bill S4928 (P.L.2025, c.335) was signed into law. This legislation establishes prevailing wage requirements for designated data center construction projects that meet the statutory thresholds.

The act becomes effective on the first day of the third month following its enactment; with an enactment date of January 20, 2026, the expected effective date is April 1, 2026.

This update is applicable to all employers involved in data center construction projects and takes effect April 1, 2026.

Overview

- New Jersey requires employers to pay the prevailing wage on qualifying data center construction projects, as determined by the Commissioner of Labor and Workforce Development.
- Data Center: A qualifying project is one involving construction or related work on data facilities that process, store, or distribute electronic data and have either an electrical capacity of at least 250 kilowatts or are designed to use an average of 500 kilowatt-hours or more after construction.
- The law establishes specific compliance standards for contractors working on qualifying data center construction projects.
- Overall, the law ensures wage fairness and strengthens safety, transparency, and compliance requirements for contractors on large scale data center projects.

Why This Matters

- Employers commissioning or overseeing data center projects must ensure prevailing wage compliance, which may increase labor cost projections.
- Employers must verify contractor eligibility, safety record requirements, and payroll documentation standards to avoid penalties.
- Because a project now qualifies once it meets a 250-kilowatt electrical capacity or 500 kilowatt hour usage design, more mid sized data center builds may fall under prevailing wage rules than employers expect.

What Employers Need to Do

- Determine whether the planned data center project meets either qualifying threshold: an electrical capacity of at least 250 kilowatts or a design with average usage of 500 kilowatt hours or more after construction.
- To ensure compliance with the law, employers should implement the following actions when selecting or onboarding contractors:
  - Verify that all contractors hold a valid Public Works Contractor Registration.
  - Require confirmation that certified payroll reporting processes are in place and compliant.
  - Obtain proof that the contractor's workers' compensation experience modifier rate is 0.95 or lower.
  - Update contract templates to include prevailing wage obligations and compliance clauses.
  - Confirm required safety documentation including OSHA Administration logs, safety plan, training certifications.
  - Confirm the contractor maintains required daily sign-in sheets documenting worker´ names, employer, and time on site.
  - Verify required insurance and bonding, including $2 million in coverage and a 150% performance/payment bond.
- Coordinate with HR, Payroll, and Legal Teams to ensure prevailing wage schedules from New Jersey Department of Labor & Workforce Development (NJDOL) are referenced and applied. Adjust the budgets to reflect prevailing wage obligations.

Source References

- NJ S4928 - Requires payment of prevailing wage for certain data center construction.

Resources

- New Jersey Department of Labor & Workforce Development – Prevailing Wage Information.

State Legal Update

California Pay Data Reporting: Filing Updates for Year 2025

The California Civil Rights Department (CRD) released Reporting Year (RY) 2025 pay data reporting materials (including a handbook and frequently asked questions) and published draft filing templates to help employers prepare for the May 13, 2026, deadline.

These materials add new data elements and stress that using the current-year file structure is critical to a successful submission.

This update is applicable covered private employers (100+ employees with at least one employee in California) and is subject to the May 13, 2026, filing deadlines..

Overview

Who is covered: Private employers with 100 or more employees must file if they have at least one employee in California (separate filings apply for payroll employees and for labor contractor workers).

New information requested in Reporting Year 2025

- **Exemption status:** “Exempt” or “Non-exempt” under California wage orders and/or the federal Fair Labor Standards Act.
- **Employment type:** full-time, part-time, or intermittent (based on the employer’s standard or alternative workweek schedule).
- **Total annual weeks worked:** includes weeks with paid time off; reported as a number for each employee group.

File Mechanics That Changed

- Employee “groups” are now defined by job category, race/ethnicity, sex, pay band, exemption status, and employment type, which increases the number of rows and the detail required.
- Weeks worked must be reported as whole numbers with rounding; the guidance allows employers to choose a reasonable method for partial weeks and recommends consistency and documentation.
- Remote worker reporting is more detailed than in prior years, requiring separate counts tied to remote status and location.

Enforcement and What is Next

- Beginning in 2026, Senate Bill 464 requires courts to impose civil penalties when the California Civil Rights Department seeks enforcement for a failure to file a required pay data report.

What Employers Need to Do

- Confirm coverage (including integrated enterprise considerations) and whether you must file one report or two separate reports.
- Update systems now to capture exemption status, employment type, and weeks worked (including paid time off weeks).
- Standardize definitions across locations (especially “intermittent” schedules) and apply them consistently.
- Document the methods used to estimate hours for exempt employees if it is a practice not to track actual hours.
- Coordinate early with labor contractors to obtain weeks and hours worked for workers assigned to you.
- Dry-run the file against the current-year upload rules (dropdown values, whole-number hours, rounding) to catch errors before submission.

Source Reference

- California Expands Pay Data Reporting Requirements for 2026 (VensureHR)
- CRD - California Pay Data Reporting Resources
- CRD - Handbook Template
- CRD - FAQs for 2025 California Pay Reporting Cycle
- CRD - California Pay Data Reporting Excel Templates

- Starting in 2027, job categories expand from 10 to 23 using the Standard Occupational Classification framework (replacing the federal job-category approach used previously).

Why This Matters

- **Increased visibility into classification issues:** Reporting exemption status makes potential wage-and-hour misclassification easier for regulators to identify based on data alone.
- **More complexity:** New grouping fields and whole-number rounding rules can break existing reporting logic and increase the chance of upload errors.
- **Higher stakes:** Mandatory penalties raise the cost of missing the deadline.

State Legal Update

New Jersey Law Mandates State-Municipal Payroll Data Sharing

On January 20, 2026, the Governor signed Public Law (P.L) 2025, c.314, which took effect immediately. The law updates municipal employer payroll tax administration, most notably requiring mandatory State wage/withholding data sharing with municipalities for limited verification and non-filer identification.

This update is applicable to employers subject to a New Jersey municipal employer payroll tax (currently Newark and Jersey City) and is effective January 20, 2026.

Overview

- Effective January 20, 2026, New Jersey law requires the Division of Taxation to share employer wage and withholding data with municipalities that impose a local employer payroll tax. The data may be used solely to verify reported payroll and identify non filers.
- The law applies only to municipalities that levy a local employer payroll tax, which currently includes Newark and Jersey City.

Why This Matters

- Municipalities are expected to use State provided wage/withholding data to validate the reported payroll and to identify non-filers, and that will increase the likelihood of outreach or assessment if returns are missed or incomplete.
- If an employer already pays an out-of-state payroll tax for certain employees' out-of-state services, the New Jersey municipal employer payroll tax should not apply to those employees, provided that the employer submits the required documentation to the local taxing municipality.
- Quarterly filings remain due on April 30, July 31, October 31, and January 31 of the year immediately following the filing year. Interest applies to late payments (8% on the first $1,500 and 18% above that), missing a deadline can create immediate financial exposure.

Additional Information

- A municipality that imposes a local employer payroll tax may retain up to 3% of annual collections for administrative costs.
- The municipal employer payroll tax does not apply to wages already subject to an out of state municipal payroll tax for services performed outside New Jersey. Employers must submit required documentation directly to the local taxing municipality to claim the exemption.
- Under New Jersey Statutes Annotated (N.J.S.A.) 40:48C-15(d), if a municipality's American Community Survey (ACS, U.S. Census Bureau) 5-year estimate of median household income is greater than or equal to $55,000, then all employer payroll tax revenue must be deposited into a school-purposes trust fund and paid out monthly according to the statute's formula. This requirement applies to Jersey City but not to Newark.

What Employers Need to Do

- Register and File Locally:
  - **Newark:** Review the city's payroll tax registration form and current booklet; ensure you are registered and prepared to file and pay quarterly.
  - **Jersey City:** Use the Payroll Tax portal to register/file; follow the listed due dates and payment instructions.
- Integrate filings into your payroll calendar. Ensure your internal quarter end processes support timely submission of required returns and payments under municipal deadlines to avoid statutory interest charges.
- If an employer is subject to out-of-state payroll taxes for certain employees, compile and submit the required documentation to the NJ municipality to prevent double taxation. (The law places documentation with the municipality, not Department of Community Affairs (DCA).
- This municipal employer payroll tax is borne by the employer, and local ordinances must prohibit withholding this tax from employee remuneration.

Source References

- New Jersey – Senate Bill (SB) S4219 - Concerns administration of employer payroll tax and permits disclosures of certain State taxpayer information.

Resources

- City of Jersey City - Payroll Tax FAQ
- City of Jersey City - Filing Portal

State Legal Update

New Jersey Guidance on Language Bias at Work and Beyond 2026

On January 16, 2026, the New Jersey Office of the Attorney General and the New Jersey Division on Civil Rights released guidance explaining when language-related discrimination (including accents and English fluency rules) may violate the New Jersey Law Against Discrimination.

The guidance is meant to clarify existing law, not create new requirements, and it does not address New Jersey's separate state "language access" rules for government document translation and interpretation.

This update is applicable to all employers in New Jersey and summarizes guidance issued by the New Jersey Office of the Attorney General and Division on Civil Rights on January 16, 2026.

Overview

- Language is not protected by itself, but actions based on language can be illegal if they are tied to protected traits such as national origin, ancestry, nationality or citizenship, race, religion, or disability.
- "Language discrimination" can include treatment based on English proficiency, native language, accent, dialect, or speech patterns.
- The guidance explains three main ways language issues can create legal risk:
  - Different treatment on purpose (for example, using language or accent as a stand-in for someone's background).
  - Neutral rules that still harm certain groups more (for example, requiring advanced English when the job does not need it).
  - Harassment or hostile work environment, including repeated mocking or slurs about language or remarks about an accent that are severe or widespread (especially if the organization fails to stop it).
- Legitimate language requirements can be allowed, but the employer must show the requirement is truly needed for the job (for example, a role that genuinely requires two languages).

Why This Matters

- Common workplace rules can become legal risk if they are not clearly job-related, such as English-only policies, fluency standards, or decisions influenced by accent bias.
- New Jersey has long recognized, through regulations and case law, that even unintentional policies can be unlawful if they disproportionately harm protected groups (for example, language restrictions or certain screening criteria).

What Employers Need to Do

- If an organization uses an English-only rule, it should limit the rule to specific situations needed for safety or operations, avoid controlling language during breaks unless truly necessary, and ensure the rule is not aimed at one specific language.
- The organization should treat repeated comments about accent or language as a potential harassment concern and ensure managers act promptly when they become aware of it.
- The organization should make reporting channels usable for workers with limited English proficiency (for example, translated instructions or interpretation support).
- For any language or fluency requirement, the organization should be prepared to explain the business reason and consider whether a less restrictive option would meet the same need.

Source References

- New Jersey - Attorney General - Laws, Regulations & Guidance
- New Jersey - Guidance on Language Discrimination Under New Jersey's Law Against Discrimination - January 2026

- **Real-world exposure is significant:** a New Jersey jury case described in a law firm article resulted in a reported $1,000,000 award tied to alleged accent-based national origin discrimination (with details about backpay and emotional distress damages).

Additional Information

- A person may file a complaint with the New Jersey Division on Civil Rights or file a lawsuit in court.

Bottom Line: Employers should carefully review language related workplace rules and practices to ensure they are job related, consistently applied, and free from bias tied to protected characteristics. While it does not create new legal obligations, it highlights how common policies, such as English only rules, fluency standards, and responses to accent related conduct, can create discrimination risk under existing New Jersey law if not thoughtfully implemented and enforced.

State Legal Update

Reminder California: Court Partially Blocks AB 288

As a reminder for employers in California, a federal district court has preliminarily blocked most of California Assembly Bill (AB) 288, preserving the National Labor Relations Board's (NLRB) exclusive role over union elections and unfair labor practices (ULP).

For now, California's Public Employment Relations Board (PERB) cannot take over these matters, and the state largely returns to the pre–Assembly Bill 288 status quo while appeals proceed.

This update is applicable to California private-sector employers and unions covered by the National Labor Relations Act for union elections and unfair labor practice proceedings and took effect on December 26, 2025.

Overview

- **Context:** Assembly Bill 288, which expands both worker rights and the authority of the state's Public Employment Relations Board (PERB), was to take effect January 1, 2026, but is mostly enjoined in advance. A parallel New York law was also enjoined in late November 2025, and the NLRB's quorum was restored on December 18, 2025.
- **Court action (December 26, 2025):** The Eastern District of California granted in part and denied in part the NLRB's motion for a preliminary injunction in NLRB v. State of California & PERB, No. 2:25 cv 02979 TLN CKD, enjoining AB 288's "implied cession" triggers (e.g., NLRB quorum loss, alleged loss of independence, or processing delays).
- **What survives:** Three narrow carve outs where PERB may proceed:
  - (1) workers who truly fall outside NLRA coverage
  - (2) cases where the NLRB expressly cedes jurisdiction, or
  - (3) matters judicially enjoined due to constitutional challenges to the NLRB.
- **Practical effect now:** None of the surviving carve outs currently apply. Employers and unions should continue filing and litigating with the NLRB; PERB is not a substitute under the enjoined provisions.

Why This Matters

- The ruling avoids parallel federal–state tracks that could create conflicting rulings, deadlines, and remedies. For day-to-day operations, it keeps union elections and unfair labor practice charges on familiar NLRB timelines and procedures. Employers should monitor appeals; a different outcome could revive parts of AB 288 or shift limited categories to PERB.

What Employers Need to Do

Until the litigation over AB 288 is resolved, California employers should continue following established federal labor law procedures:

- **File and litigate private sector labor matters with the NLRB**, not PERB, except in rare situations involving workers outside NLRA coverage or express federal jurisdictional cession
- **Refrain from relying on state level remedies created by AB 288**, which the court has largely enjoined.
- **Ensure HR and labor relations teams are aligned** on the NLRB's continued authority to prevent procedural errors.
- **Stay alert to appeals and NLRB developments**, particularly following the restoration of the Board's quorum in December 2025.

Source References

- California Expands Public Employment Relations Board Authority (VensureHR)
- U.S. District Court - Eastern District of California - No. 2:25-cv-02979-TLN-CKD (12-26/25)

State Legal Update

Reminder California: Automated Decision Systems Rules Now Enforced

As a reminder for employers in California, updated regulations under the California Fair Employment and Housing Act (FEHA) became effective on October 1, 2025. These regulations clarify how existing anti discrimination rules apply when employers use to make or support employment related determinations.

This update is applicable to all employers in California and took effect on October 1, 2025.

Overview

- **Who is covered:** Employers five or more employees (Note: employees located inside and outside of California are counted in determining whether employers are covered under the Act).
- **What is covered:** Any automated decision system (ADS), defined as a computational process that makes or helps make decisions about an employment benefit (for example, hiring, promotion, training selection, discipline, or termination) using techniques such as artificial intelligence, algorithms, statistics, or other data processing.
- **Common uses in scope:** Tools that score/predict candidates or employees, target job advertising, scan resumes for patterns, analyze interview voice/facial cues, or rely on third-party applicant/employee data.
- **Record retention:** Keep ADS data and related employment records for four years (from the record date or the related personnel action date, whichever is later).

Why This Matters

Using automated tools does not reduce liability. Employers remain responsible for discriminatory outcomes (including disparate impact), and the regulations highlight that documentation, accommodations, and record retention can strongly affect risk and defensibility.

Additional Information

Bottom line: Employers using automated decision systems should:

- (1) inventory where such systems are used across employment decisions,
- (2) update record retention to ensure four-year preservation of required records,
- (3) ensure accommodation pathways exist where automated systems may screen out individuals based on disability or religious creed, and
- (4) strengthen vendor oversight and governance documentation to support defenses if challenged.

Key Risks for Employers

- **Disparate impact risk:** Neutral automated screening, scoring, or ranking can disproportionately exclude protected groups.
- **Accommodation risk (disability and religion):** Systems that assess dexterity, reaction time, cognition, or similar traits (or that analyze tone of voice/facial expressions) may require reasonable accommodations to avoid screening out individuals with disabilities or conflicting with sincerely held religious practices.
- **Pre-employment screening risk:** Online application technology that ranks or screens applicants based on schedule/availability may be unlawful if it disproportionately affects religion, disability, or medical condition unless it is job-related, consistent with business necessity, and allows applicants to request an accommodation.
- **Medical inquiry risk:** Automated assessments (tests, questionnaires, puzzles, games, or similar challenges) that are likely to elicit disability information may be treated as an unlawful medical or psychological inquiry in certain stages of hiring.
- **Criminal history risk:** Automated methods cannot be used to unlawfully inquire into criminal history before the employer has extended a job offer.
- **Vendor/third-party risk:** Employers may still face legal exposure when systems are provided or administered by third parties, especially where the vendor is performing functions traditionally done by the employer.

Source References

- OAL - Notice of Approval of Regulations (June 27, 2025) and Final Regulations

Reminder California: Key 2026 Employment Law Changes Summary

As a reminder for employers in California, the Labor Commissioner issued a year end update summarizing several employment law changes taking effect in 2026. These updates apply to nearly all California employers and include a minimum wage increase, a new annual workplace rights notice, emergency contact rules, expanded pay equity deadlines, and an updated Paid Sick Leave poster. Most changes took effect January 1, 2026, unless otherwise noted.

This update is applicable to nearly all California employers and took effect on January 1, 2026 (with certain related notice and process deadlines occurring later in 2026).

Overview

California's year-end employer notice highlights the following employer updates for 2026:

- 1. A higher statewide minimum wage
- 2. A new annual workplace rights notice requirement
- 3. New emergency contact rules if an employee is arrested or detained at work
- 4. Longer filing and recovery periods under the Equal Pay Act
- 5. An updated Paid Sick Leave posting reflecting new covered uses

Key Dates at a Glance

- **January 1, 2026:** Statewide minimum wage increases to $16.90 per hour.
- **February 1, 2026:** Deadline to have provided the first annual workplace rights notice to employees (and annually thereafter).
- **March 30, 2026:** Employers must offer employees the option to name an emergency contact and indicate whether that person should be notified if the employee is arrested or detained.
- **July 1, 2026:** The Labor Commissioner plans to post employee and employer videos on these rights and obligations.

Why This Matters

These updates create practical compliance tasks—payroll updates, annual notices, updated posters, and new procedures—and increase potential exposure through penalties and longer pay equity claim windows.

What Employers Need to Do

1) Minimum Wage

- Ensure you are paying at least $16.90 per hour statewide effective January 1, 2026.
- Confirm whether higher local or industry-specific rates apply (such as health care or fast-food industries).
- For additional information, consult Minimum Wage Increases for January through June 2026 and Reminder for California Employers: Minimum Pay Increases in January 1, 2026.

2) Annual Workplace Rights Notice (Senate Bill 294)

- Provide a written workplace rights notice by February 1, 2026, and every year after that.
- Use the Labor Commissioner's model notice(s) or a compliant equivalent and provide it in the language normally used for workplace communications when a template is available.
- The notice must cover:
  - Workers' compensation;
  - Rights related to employment eligibility verification form inspections (Form I-9);
  - Protections against immigration-related retaliation;
  - Constitutional rights during workplace law-enforcement interactions;
  - Organizing rights;
  - Key new laws; and
  - Enforcement agencies

3) Emergency Contact Rules for Arrest/Detention (Senate Bill 294)

- By March 30, 2026, employers must provide employees with the opportunity to name an emergency contact and elect notification.
- If an employee selects an emergency contact for arrest/detention, employers must notify the designated emergency contact if the employee is arrested or detained at the worksite, or (if the employer has actual knowledge), during work hours offsite.

State Legal Update

Additional Information

Recommended Next Steps

- Update payroll systems for the January 1, 2026 minimum wage rate and confirm any higher local or industry-specific rates.
- Schedule delivery of the annual workplace rights notice to existing employees by February 1, 2026, and add it to an annual ongoing compliance calendar. Add the notice to new-hire packets.
- Update emergency contact processes and forms so employees can opt into notification by March 30, 2026, and train managers on the escalation steps.
- Replace/distribute the updated Paid Sick Leave poster and review policies and practices to align with the expanded covered reasons for use.

Key Risks for Employers

- Wage exposure if pay rates are not updated on time, especially where higher local or industry-specific rates apply.
- Penalties for missing the annual workplace rights notice, which can reach up to $500 per employee.
- Significant penalties for failing to notify designated emergency contacts when required (up to $500 per day per employee, capped at $10,000 per employee).
- Increased pay equity risk due to longer filing and recovery periods (3 years to file; up to 6 years of recovery).
- Posting compliance risk if workplaces (including remote distribution practices) do not use the updated Paid Sick Leave notice.

    - Penalty risk: up to $500 per day per employee, capped at $10,000 per employee for failing to provide required notification.
    - For additional information, consult California Workplace Know Your Rights Act Effective January 1, 2026 and Reminder California: Know Your Rights Notice Available.

4) Equal Pay Act Claim Window Expanded (Senate Bill 642)

- Employees can bring an Equal Pay Act claim up to 3 years after the last date a claim "occurs."
- If a claim is filed within that time, potential recovery can reach back across the entire violation period, up to 6 years.
- A claim can "occur" when a pay decision or practice is adopted, when an employee becomes subject to it, or each time affected pay (wages, benefits, or other compensation) is issued.
- For additional information, consult California Establishes Timely and Accurate Wage Payments.

5) Updated Paid Sick Leave Posting (Assembly Bills 406 and 2499-related updates)

- The Labor Commissioner updated the Paid Sick Leave poster and guidance to reflect additional covered uses, including jury service, court appearances as a witness under subpoena or court order, and certain crime-victim-related situations for the employee or family member.
- For additional information, consult Reminder for California Employers: Post New Paid Sick Leave Poster (2026).

Source References

- California - DIR - Information on New 2026 Wage and Hour Laws (December 31, 2025)

State Legal Update

Reminder California: Senate Bill 711 Income Tax Conformity Update

As a reminder for employers in California, Governor Gavin Newsom signed Senate Bill 711 (SB 711) into law, updating California's Internal Revenue Code (IRC) conformity date from January 1, 2015, to January 1, 2025, operative for taxable years beginning on or after January 1, 2025, except as otherwise provided.

This change is relevant for any organization that calculates or communicates California taxable wages or income, including employers, payroll teams, and HR professionals. If you process California payroll, support year end reporting, or field employee tax questions, this conformity change affects how federal updates interact (or do not interact) with California law. Because California continues its selective conformity approach, federal changes made after the new cutoff date (and many within it) may not automatically carry over.

This update is applicable to all employers in California and took effect on October 1, 2025.

Overview

- **What SB 711 does:** Updates California's IRC "specified date" conformity to January 1, 2025, while keeping California's long-standing selective conformity approach (California still adopts some federal provisions and rejects others).
- **Effective timing:** Signed October 1, 2025; it generally applies to tax years beginning on/after January 1, 2025.
- **What it means in plain terms:** California is closer to federal tax rules than before, but California and federal taxable income can still differ in major ways.

Why This Matters

- Employers should not assume federal tax changes automatically apply in California: California uses a conformity "as of" date and then selectively adopts or rejects federal provisions.
- Payroll and employee questions: If employees expect certain federal deductions to reduce California taxable wages, SB 711's conformity cut-off means California may not follow later federal changes unless California passes separate legislation.
- Tax and planning impacts: Differences can affect tax provisioning, mobility planning, and year-end reporting where California income calculations diverge from federal.

What Employers Need to Do

- **Research credit method update:** California allows the Alternative Simplified Credit (ASC) (with California-specific lower rates), and the Alternative Incremental Research Credit (AIRC) is no longer available.
- **Research & Experimental (R&E) costs:** California continues to apply rules based on IRC §174 as of January 1, 2015, meaning California treatment can differ from current federal treatment for R&E capitalization/amortization.
- **Bottom Line:** California's updated IRC conformity date reduces some differences with federal tax law but still leaves many California-specific rules in place. Employers should continue verifying whether federal tax changes apply in California, clearly communicate when California treatment differs, and maintain California-specific adjustments (especially for depreciation and R&E) to ensure accurate reporting.

Key Risks for Employers

- Incorrect state withholding/reporting assumptions if teams rely on federal rules without checking California conformity.
- Employee confusion and complaints if communications imply California tax treatment changed when it did not.
- Misstated California taxable income if corporate or individual reporting fails to reflect California-specific decoupling areas (e.g., depreciation, R&E)

Source References

- California - SB 711 - Taxation: federal conformity
- California - Bill Analysis - Bill Number SB 711
- California - Franchise Tax Board - Senate Bill (SB) 711 Federal Conformity Bill – Impact to Reporting Alimony Payments

- **Note:** Many employers assume federal updates automatically apply to California, but the state's selective conformity means year end calculations may still require California specific adjustments (e.g., depreciation, R&E costs, NOL rules). Adding these adjustments early helps avoid year end surprises and prevents misalignment between federal and California reporting.

State Legal Update

Reminder California: Classification Exemptions Extended 2026

As a reminder for employers in California, Assembly Bill 1514 extends two existing worker-classification exemptions from the three-part test commonly called the ABC test, which has been in effect since January 1, 2026.

This update is applicable to California hiring entities relying on the extended ABC test exemptions for licensed manicurists or commercial fishers working on an American vessel and took effect on January 1, 2026.

Overview

California generally uses the ABC test to decide whether a worker is an employee or an independent contractor.

For certain professions, the law instead uses a more flexible multi-factor test (often called the Borello test).

Who is covered by the extensions:

- Licensed manicurists: the exemption is extended through January 1, 2029.
- Commercial fishers working on an American vessel: the exemption is extended through January 1, 2031.

Requirements to Use the Manicurist Exemption: To use the exemption, the arrangement must reflect real business independence. For example, the manicurist must:

- Set their own rates, process payments, and be paid directly by clients.
- Set their own hours, choose how many clients to take, and which clients to serve.
- Maintain their own book of business and schedule their own appointments.
- Maintain their own business license (where required).
- If working at the salon location, the manicurist issues a Form 1099 to the salon/business owner they rent space from.

Reporting Requirements

- By June 1, 2026, the state must report to the Legislature the yearly number of misclassification allegations or other violations involving licensed manicurists dating back to January 1, 2020 (including investigations, workers impacted, and enforcement outcomes).
- For commercial fishing, the annual state report on unemployment insurance use is now due each June 30 (instead of March 1).

Why This Matters

- The extensions mean that the ABC test will not apply to licensed manicurists or commercial fishers when all exemption requirements are met. Instead, their classification continues to be evaluated under the multi factor Borello test.
- The new reporting on manicurist-related allegations signals ongoing attention to misclassification enforcement in that sector.

What Employers Need to Do

- **Bottom line:** These extensions do not automatically allow independent contractor status. Employers and PEO teams must ensure the exemption requirements are met in day-to-day practice and supported with clear documentation, notably in industries subject to new reporting and oversight.

Key Risks for Employers

- **Misclassification exposure:** If the exemption conditions are not met in practice (not just on paper), the ABC test may apply by default. This can result in workers being treated as employees under California law, increasing risk of wage-and-hour claims, penalties, and agency enforcement.
- **Documentation gaps:** Gaps in documentation that demonstrate the required independence, such as control over pricing, scheduling, client payments, business licensing, and the rental/1099 structure for on site salon work, can undermine the exemption and increase reclassification risk.
- **Industry-specific Oversight:**
  - **Beauty businesses** may face added scrutiny because state agencies must compile and report manicurist-related allegations and outcomes.
  - **Fishing operations** should monitor unemployment insurance eligibility/reporting expectations tied to the commercial fishing exemption.

Source References

- California - AB 1514 - Worker Classification: Employees And Independent Contractors: Licensed Manicurists: Commercial Fishers

Reminder Colorado: No FAMLI Tax Changes in 2026

As a reminder for employers in Colorado, the FAMLI Division has confirmed its approach for 2026 following recent Internal Revenue Service (IRS) guidance. This confirmation affects federal tax reporting obligations and payroll administration by deferring previously anticipated changes until a later year.

- The IRS extended the PFML federal tax transition through calendar year 2026 for the portion of state paid medical leave benefits attributable to employer contributions (Notice 2026 06).
- Rev. Rul. 2025 4 originally took effect January 1, 2025, with 2025 designated as a transition year for enforcement and administration.
- **Colorado's response:** FAMLI will keep its existing federal tax treatment in 2026; no changes to payroll systems, employer reporting, or federal tax filings for FAMLI benefits. The state adopted an emergency rule to delay implementation of federal mechanics until 2027.

This update is applicable to Colorado employers and third-party administrators participating in the Family and Medical Leave Insurance program and takes effect for calendar year 2026.

Overview

- **Deferred for 2026:** States and employers do not have to apply third party sick pay income tax withholding, employment tax (FICA/FUTA), or related information reporting rules to state paid medical leave benefits attributable to employer contributions. No penalties apply for not doing so in 2026.
- **Not deferred:** Employer "pick up" contributions (voluntary payment of the employee share) remain taxable wages and must be reported on Form W 2.

Why This Matters

- Employers and Third-Party Administrators (TPAs) participating in Colorado FAMLI can avoid mid year payroll reconfiguration and continue current processes in 2026, reducing implementation risk and penalty exposure.
- Use the extra time to plan for 2027 compliance (third party sick pay mechanics) while continuing to treat employer pick ups as taxable wages now.

Key Risks for Employers

- **Misclassifying employer "pick ups":** These are still taxable wages in 2026 and must be reported on the W 2. Failure to do so risks under withholding and reporting errors.
- **Turning on third party sick pay in 2026:** Colorado will not treat FAMLI medical benefits as third party sick pay in 2026; prematurely switching payroll settings can cause mismatches.
- **Year end form confusion:** FAMLI will continue issuing Form 1099 G to employees for 2026 benefits; employers should not add those benefits to W 2 wages. FAMLI benefits remain exempt from Colorado state income tax.
- **Underpreparing for 2027:** Colorado's emergency rule delays federal tax mechanics until 2027. Employers should build a readiness plan and monitor rulemaking updates.

Source References

- Colorado FAMLI - IRS Extends Paid Leave Tax Timeline: What Colorado Employers Need to Know (January 1, 2026)
- Reminder Colorado: Paid Family Medical Leave Rates Effective January 1, 2026
- Colorado - FAMLI Newsletter (September 30, 2025)
- Colorado - FAMLI - IRS Tax Guidance — FAMLI Medical Benefits

Reminder Michigan: Tip and Overtime Deductions Begin in 2026

As a reminder, Michigan enacted a law allowing individuals to claim state income tax deductions for qualified tips and qualified overtime compensation for tax years 2026 through 2028. The law also limits non-resident deductions to tips and overtime tied to services performed in Michigan.

The law was approved on October 7, 2025, and took effect immediately.

This update is applicable to Michigan individual taxpayers, including nonresidents with qualified tips or qualified overtime compensation attributable to services performed in Michigan, and took effect for tax years beginning after December 31, 2025 (tax years 2026 through 2028).

Overview

- **State deduction window (Michigan):** Tax years 2026–2028 (i.e., tax years beginning after December 31, 2025, and before January 1, 2029).
- **What is deductible (Michigan):** An amount equal to the federal deductions claimed for:
  - Qualified tips, and
  - Qualified overtime compensation.
- **Nonresident limitation:** Nonresidents may deduct only the tips/overtime attributable to services performed in Michigan.
- **Broader context in the same law:** Michigan updated its reference date to the federal tax code (Internal Revenue Code) and set rules to calculate Michigan income while excluding or “freezing” certain federal provisions for state tax purposes.

Why This Matters

- **Employee questions will increase.** Workers in tip- and overtime-heavy roles will likely ask how the new state deduction works and when it starts and whether it affects their take-home pay (Michigan begins with tax year 2026).
- **Payroll systems may need better tracking.** Even if the deduction is ultimately claimed on individual returns, employers may need cleaner internal records to support accurate employee reporting and year-end documentation (especially where tips and overtime premiums must be distinguished).
- **Non-resident workforce complexity.** If an employer has non-resident employees working in Michigan, the law ties the deduction to Michigan-based services, which raises sourcing and documentation expectations.

What Employers Need to Do

- Review payroll setup to ensure the employer can:
  - track reported tips accurately, and
  - separate overtime base pay from overtime premium.
- Review timekeeping and location practices for employees who work in multiple states (to support Michigan sourcing for nonresidents).
- Coordinate with payroll providers and tax advisors to align year-end wage reporting and employee communications with these deductions.
- Train managers in tip-heavy areas on consistent tip reporting and reinforce that accurate reporting affects employees’ tax outcomes.

Key Risks for Employers

- **Miscommunication about timing and process:** Employees may expect an immediate increase in take-home pay, but the benefit is generally realized on the employee’s tax return, which can lead to confusion and payroll inquiries.
- **Inadequate tip tracking and reporting controls:** If tips are underreported or not categorized consistently, employees may not be able to support “qualified” treatment and may attribute discrepancies to payroll.
- **Overtime premium not clearly separated from base pay:** If payroll systems cannot clearly identify the premium portion of overtime versus regular wages, employees may have difficulty determining what qualifies.
- **Nonresident sourcing errors:** For nonresidents, only tips and overtime tied to services performed in Michigan may be deducted. Weak timekeeping or location records can increase questions and disputes.
- **Waiting too long for implementation guidance:** The law is already in place, and additional Michigan Treasury guidance may be issued closer to implementation. Delayed preparation can lead to rushed system changes and inconsistent practices.

Source References

- Michigan - HB 4961 - Individual Income Tax: Income; Treatment Of Certain Provisions Under The Internal Revenue Code And Revenue Distributions

State Legal Update

Reminder Minnesota: Secure Choice Retirement Launch 2026

As a reminder for employers with workers in Minnesota, the Minnesota Secure Choice Retirement Program will begin voluntary enrollment during a "soft launch" in early 2026. Mandatory employer registration will follow starting April 1, 2026, with deadlines phased in based on employer size.

This update is applicable to employers with five (5) or more employees that have employees performing services in Minnesota and that do not currently sponsor a qualifying retirement plan.

Overview

Key dates:

- **Soft launch (optional / voluntary):** January 1 through March 30, 2026
  - Employers can choose to register early during this period.
- **Mandatory registration begins:** April 1, 2026
  - Starting this date, registration deadlines apply based on how many employees the employer has.

Who this applies to:

- Employers with five (5) or more employees in total who do not sponsor or contribute to, and
- Did not in the immediately preceding 12 months sponsor or contribute to a retirement savings plan for its employees.
- The five-employee threshold is based on the employer's entire workforce, not only the number of employees located in Minnesota.
- Coverage is determined by where work is performed, not by where employees live. This means the Program can apply even if employees reside outside Minnesota, as long as at least one employee performs services in Minnesota, and the employer meets the coverage criteria above
- **What the program requires:** a covered employer must do one of the following:

  1. Register for Minnesota Secure Choice, or
  2. File an exemption (if already offering a qualifying retirement plan), or
  3. Use an independent/private retirement plan provider instead of the state program (as long as it meets the requirement).

Mandatory registration deadlines (by employer size)

- **100 or more employees:** April 1, 2026 – June 30, 2026

Key Risks for Employers

- Missing the assigned registration window (based on employee count).
- Assuming an exemption applies without confirming a qualifying plan is offered and properly filing the exemption.
- Waiting too long to prepare payroll operations and employee communications.
- Assuming the employer can opt out despite not offering a qualifying retirement plan (covered employers that do not offer a qualifying retirement plan cannot opt out of Minnesota Secure Choice once their compliance deadline applies).

Source References

- Minnesota - Secure Choice Retirement Program - The easy way to save for retirement
- Minnesota - CHAPTER 187. Minnesota Secure Choice Retirement Program

- **25 to 49 employees:** January 1, 2027 – June 30, 2027
- **10 to 24 employees:** July 1, 2027 – December 31, 2027
- **5 to 9 employees:** January 1, 2028 – June 30, 2028

Why This Matters

- Employers should identify their assigned registration deadline early to avoid missing it.
- Employers should allow time to decide whether to register, claim an exemption, or use a private plan.
- If participating, employers may need payroll and process updates to support employee payroll deductions and timely remittance.

State Legal Update

Reminder New York: Rules for Ownership Reporting by Foreign Companies

As a reminder for non-U.S. LLC companies authorized to do business in New York, the New York Department of State (NYDOS) posted guidance materials explaining the state's ownership reporting law.

This update is applicable to limited liability companies formed under the law of a foreign country that are authorized to do business in New York and took effect on January 1, 2026.

Overview

- **Applicable Companies:** Limited liability companies (LLCs) formed outside the United States that are authorized to do business in New York must file either (1) a Beneficial Ownership Disclosure or (2) an Attestation of Exemption, depending on whether they qualify for an exemption.
- **Exempt Entities:** Foreign-formed LLCs that qualify for a CTA-style exemption do not file beneficial ownership details but must file an Attestation of Exemption initially and annually (reaffirming the exemption).
- **What New York published:** A guidance webpage, filing instructions, forms, and frequently asked questions (including additional compliance materials and a process for law enforcement access).

Why This Matters

- **Many companies do not have to file at all:** United States–formed companies do not have any filing obligations under this law.
- **For covered foreign companies, reporting is ongoing:** New York requires annual filings (not a one-time filing).
- **Reduced reporting burden for some owners:** Covered foreign companies do not report owners who are "United States persons," including citizens of Puerto Rico and other United States territories.

What Employers Need to Do

- **Who must file (in-scope entities):** Foreign formed (non-U.S.) LLCs authorized to do business in New York must file either (1) a Beneficial Ownership Disclosure (if non-exempt) or (2) an Attestation of Exemption (if exempt). U.S.-formed LLCs do not file under the NYDOS guidance currently in effect.
- **What must be filed (for in-scope foreign LLCs) - Both are part of an annual filing cycle after the initial submission:**
  - **Non-exempt:** Beneficial Ownership Disclosure; or
  - **Exempt:** Attestation of Exemption.
  - **Fee:** $25 per filing.
- **Timing and Filing Method:**
  - **Initial filing:** within 30 days after applying for authority on/after January 1, 2026; or by December 31, 2026, if authorized before January 1, 2026.
  - **Annual filings** are required after the initial filing. Submissions will be through a state portal (forthcoming).
    - The New York Department of State Beneficial Owner Disclosure page (https://dos.ny.gov/beneficial-owner-disclosure) states that, until the online portal is available, filings must be submitted by email dosCorpBOI@dos.ny.gov. The Department instructs filers not to submit them by mail or fax due to confidential information.
- **Key Content Required:** For each non-U.S. beneficial owner and the applicant, the filing generally requires the individual's name, date of birth, address, and an unexpired passport or other qualifying government-issued identification number. Federal identifier numbers are not accepted.

Bottom Line: if an organization is a foreign formed limited liability company authorized to do business in New York, it should (1) confirm whether it is exempt, (2) prepare either an ownership disclosure or an exemption attestation, (3) meet the 30 day or December 31, 2026, deadline as applicable, and (4) plan for annual filings going forward.

Key Risks for Employers

- **Missed deadlines:** Failure to file can trigger public status changes (for example, "past due," "delinquent," or "suspended"), creating operational and reputational risk.
- **Financial penalties:** Civil penalties can escalate quickly and may reach up to $500 per day for each day a required filing is late, plus additional state fees to restore good standing in certain situations.
- **Business interruption:** A suspended entity may be prohibited from conducting business in New York until filings and required payments are completed.
- **Data and privacy exposure:** The filing requires personal identifiers (for certain individuals), and the state does not allow the federal-style identifier alternative described above.
- **Accuracy risk:** Knowingly filing false information can lead to civil penalties and potential criminal enforcement.
- **Classification uncertainty:** Determining whether a non-United States entity qualifies as a "limited liability company" under New York law may require case-by-case legal analysis, especially where foreign legal forms do not match U.S. labels.

Source References

- New York - Beneficial Owner Disclosure (BOI)
- New York LLC Transparency Act Gets Amended (VensureHR)
- New York Enacts LLC Transparency Act Requiring Disclosure of Beneficial Owners (VensureHR)

State Legal Update

Reminder Pittsburgh: Paid Sick Leave Guidelines Revised 2026

As we covered in our previous update (Link), Pittsburgh had amended its Paid Sick Days Act to expand employee benefits and clarify responsibilities for employers with employees working in the City of Pittsburgh, Pennsylvania. In an effort to align guidelines with the amendments, the Office of Equal Protection issued revised guidelines for administering the Pittsburgh Paid Sick Days Act (PSDA).

These revisions became effective January 1, 2026, and focus on accrual accuracy, transparency, recordkeeping, and enforcement.

This update is applicable to employers with employees who work at least 30 hours within the geographic boundaries of the City of Pittsburgh in a calendar year and took effect on January 1, 2026.

Overview

- **Who is covered (threshold):** The PSDA applies to employees who work at least 30 hours within the geographic boundaries of the city of Pittsburgh in a calendar year. Coverage is based on where the work is performed, not where the employer is located and only the hours worked within the city limits count toward the threshold.
- **Accrual rate increases:** Employees accrue at least 1 hour of paid sick time for every 30 hours worked in the City.
- **Annual caps increase:** City notice materials reflect caps of up to 72 hours/year (15+ employees) and up to 48 hours/year (smaller employers). Employee-count threshold is based on the employer's total number of employees overall and not just those employees working in Pittsburgh.
- **Mandatory balance notice:** Employers must provide a reasonable way for employees to see accrued sick time (e.g., on pay stubs or via an online system employees can access).
- **Using Paid Time Off (PTO)/Collective Bargaining Agreement (CBA) policies:** Existing PTO/CBA leave counts only if it can be used for the same purposes and under the same conditions as PSDA sick time; policies requiring advance/written notice, finding a replacement, or employer approval/refusal do not qualify.
- **Frontloading tightened:** If any portion is frontloaded, it must be based on a reasonable calculation, so accrual meets or exceeds the minimum and never falls below what they would have earned via accrual.

What Employers Need to Do

Bottom Line: Employers must update their policies and ensure their systems are correctly configured to meet the 2026 PSDA requirements, including higher caps, faster accrual, balance visibility, and updated carryover rules, because the City has strengthened oversight and enforcement.

Key Risks for Employers

- Not providing employees their accrued sick time balance via pay stub or an accessible online method.
- Relying on a PTO/CBA policy that adds conditions the PSDA does not allow, such as approval requirements, replacement requirements, or strict written/advance notice rules.
- Frontloading incorrectly, especially where heavy overtime work could cause accrual to fall behind the required rate during the year.
- Incomplete recordkeeping (policy + hours worked + sick time taken for 2 years), which can weaken defenses in a City review.
- Missing response deadlines to the Office of Equal Protection, increasing risk of presumed violation/waiver.

Source References

- City of Pittsburgh - Ordinance and Guidelines
- City of Pittsburgh - Paid Sick Leave Act (Rev. 01/13/2026)
- City of Pittsburgh - Paid Sick Leave Act Resources
- City of Pittsburgh - Guidelines v. 4.1 for Administering Pittsburgh City Code Chapter 626, "Paid Sick Days Act," (Rev. 12/09/25)
- Pittsburg, Pennsylvania, Updates Paid Sick Days Act to Expand Employee Benefits (VensureHR)

- **Recordkeeping expanded:** Keep records of the paid sick leave policy, hours worked, and sick time taken for 2 years, and allow City review with notice.
  - Frontloading does not eliminate tracking obligations.
- **Carryover:** Employees may carry over unused accrued sick time to the next year unless the employer frontloads the full required annual amount at the start of the year, 72 hours for employers with 15+ employees or 48 hours for employers with fewer than 15 employees. These updated thresholds replace the prior 40/24 caps
- **Enforcement clarified:** Failure to respond to Office inquiries can result in a presumption of violation and may be treated as a waiver; the City may also require posting/notice of an ongoing investigation.

Why This Matters

These revisions increase day-to-day compliance expectations (policy design, leave tracking, and balance visibility) and strengthen enforcement tools that can increase exposure if issues arise.

Reminder Rhode Island: Retirement Savings Program Timelines

As a reminder for employers with workers in Rhode Island, the state's retirement savings program (RISavers) has begun employer onboarding through its website. The state has clarified that the December 12, 2025 registration window is an administrative onboarding milestone, requiring employers to distribute program information to employees and submit required employee data to the program administrator, and does not trigger compliance enforcement, which begins later under a phased schedule.

This update is applicable to Rhode Island private sector employers with five or more employees that do not already offer a qualifying retirement plan and takes effect on the employer's phased enforcement date (October 15, 2026, October 15, 2027, or October 15, 2028, depending on the number of eligible employees).

Overview

- **What the program is:** A state-sponsored retirement savings program that provides employees with access to a Roth individual retirement account (IRA) they own and control, funded through payroll deduction.
- **Who it applies to:** Rhode Island private-sector employers with five or more employees total company-wide, that do not already offer a qualifying retirement plan. Employers with fewer than five employees total are not required to participate.
- **What "registration is open" means:** Employers may begin onboarding through the program portal. The program website references a "New Business Registration" window ending December 12, 2025, which the state has clarified is an administrative onboarding milestone—not an enforcement deadline.

Why This Matters

Although enforcement does not begin until later phased deadlines, the state is moving forward with program setup now. Employers that understand the distinction can plan payroll changes, employee communications, and exemption decisions in advance, rather than reacting under compressed timelines closer to their enforcement date.

Key Dates:

- **Mandatory compliance (phased enforcement, based on the number of eligible employees):**
  - **More than 100 eligible employees:** comply by October 15, 2026.

What Employers Need to Do

- **Confirm status:** Determine whether the employer has five or more employees company wide and employs at least one worker in Rhode Island. If so, identify whether the employer already offers a qualifying retirement plan and should certify an exemption, or whether it must facilitate the state program.
- **Prepare for onboarding:** If the employer will participate, begin planning for the required onboarding steps, including entering company information, coordinating payroll setup, and uploading employee data. These steps support the program's administrative timeline and allow employees to receive their opt out notices and make elections without delay.
- **Calendar the phased enforcement deadlines:** Identify the employer's size category and track the applicable October 15 enforcement date (2026, 2027, or 2028). These deadlines determine when compliance becomes mandatory.
- **By December 12, 2025 (administrative milestone):** Employers are expected to distribute program information to employees and submit required employee data to the program administrator to support program launch. The state has clarified that this date does not trigger enforcement.

Key Risks for Employers

- **Treating December 12, 2025, as a compliance enforcement deadline,** which could lead employers to make rushed plan decisions or employee communications. Treasury has clarified that this date is an administrative milestone, not an enforcement trigger.
- **Overlooking required administrative onboarding steps**—such as providing program information to employees and submitting employee data—which can delay payroll setup, employee opt out periods, and readiness ahead of the applicable enforcement date.

- **50–99 eligible employees:** comply by October 15, 2027.
- **5–49 eligible employees:** comply by October 15, 2028.

Additional Information

Where to Get Help (Official Contacts)

- Rhode Island Office of the General Treasurer (Program Oversight): (401) 222-4776
- Program Administrator - Employer Support (Vestwell): (833) 868-4732
- Program Administrator - Support (Vestwell): (833) 669-4336

- **Losing track of the applicable phased enforcement deadlines (2026–2028),** particularly if employer size or the number of eligible employees is misunderstood, which could increase the likelihood of receiving a noncompliance notice once enforcement begins.

Source References

- Rhode Island - RISavers - Employers Program Details
- RISavers - Main Page
- Rhode Island - Rules and Regulations Pertaining to the RISavers Retirement Savings Program
- Rhode Island - IMPORTANT INFORMATION REGARDING RISavers PROGRAM (Press Release, Dec. 2, 2025)

Reminder Rhode Island: Tips and Overtime Remain Taxable Wage

As a reminder for employers with workers in Rhode Island, on October 2, 2025, the Rhode Island Division of Taxation issued guidance confirming the state does not follow the federal “no tax on tips” and “no tax on overtime” provisions under the One Big Beautiful Bill Act. Tips and overtime remain fully taxable for Rhode Island state income tax and must continue to be included in Rhode Island taxable wages.

This update applies to employers with workers in Rhode Island and reflects guidance issued by the Rhode Island Division of Taxation on October 2, 2025.

Overview

- **Rhode Island position:** Even if employees qualify for the federal benefit, Rhode Island has decoupled tips and overtime remain fully taxable for state income tax purposes.
- **What this means for payroll in Rhode Island:** Continue Rhode Island income tax withholding on all wages, including tips and overtime. There is no state-level payroll carve-out for these amounts.
- **Federal rules:** Federal “no tax on tips” and “no tax on overtime” as deductions claimed on the individual federal tax return (not as automatic tax-free paychecks), and for tax year 2025 the Internal Revenue Service stated there were no changes to key payroll forms or federal withholding tables for these provisions.

Why This Matters

- **Avoids under-withholding risk:** Treating tips or overtime as non-taxable for Rhode Island purposes could lead to incorrect state withholding and potential employee tax liability at filing.
- **Reduces employee confusion:** Employees may hear the federal “no tax” messaging, but Rhode Island still taxes these amounts. Clear communication helps prevent disputes and questions.

What Employers Need to Do

Bottom Line: Rhode Island has not aligned with the federal changes, so employers should keep withholding state income tax on all tips and overtime and continue using existing payroll configurations. Clear communication with employees is important to avoid confusion, since federal messaging may suggest these amounts are tax free even though Rhode Island still taxes them.

Key Risks for Employers

- **Incorrect Rhode Island taxable wage calculations:** Tips and overtime remain taxable in Rhode Island, so they must be included in taxable wages for withholding; otherwise, withholding may be too low.
- **Miscommunication to employees:** Suggesting Rhode Island taxes will decrease because of the federal change may cause confusion or complaints.
- **Process drift in 2025:** Payroll teams may mistakenly adjust settings due to the federal policy shift even though federal forms and withholding did not change.

Source References

- Rhode Island - Division of Taxation - ADV 2025-20 (October 2, 2025)

State Legal Update

Reminder Washington: Paid Leave Workers Protected in Layoffs

As a reminder for employers with workers in Washington, the Employment Security Department adopted a rule on January 14, 2026, updating the Paid Family and Medical Leave (PFML) regulations. The rule directs employers to Washington's mass layoff and business closing law when making employment decisions affecting employees on PFML. Under that law, employees who are currently on Paid Family and Medical Leave generally may not be included in a mass layoff, unless a limited statutory exception applies.

This update is applicable to Washington employers making employment restoration decisions for employees on Paid Family and Medical Leave when a position is eliminated due to a layoff or business closure and takes effect on February 14, 2026.

Overview

- **Why the rule was adopted:** It implements Engrossed Substitute Senate Bill 5525 (2025), now codified in Revised Code of Washington chapter 49.45, which sets requirements for mass layoffs and business closings and includes a protection for employees currently on Paid Family and Medical Leave.
- **What changed in the Paid Family and Medical Leave rules:** The rule amends Washington Administrative Code section 192-700-010 ("Can an employer deny employment restoration?"). The amendment adds a cross-reference to Revised Code of Washington chapter 49.45, linking PFML employment restoration decisions to the state's mass layoff and business closing requirements.
- **What the cross-reference does:** The amendment does not create a new PFML benefit or expand leave rights. Instead, it directs employers and readers of the PFML rules to the controlling mass layoff law when evaluating whether an employee on PFML can be denied restoration due to a layoff or business closure.

Why This Matters

- If an employer denies job restoration after Paid Family and Medical Leave because a position was eliminated, that decision must now be evaluated alongside Washington's mass layoff and business closing law (RCW 49.45).
- The update helps prevent employers from unintentionally selecting employees who are actively on PFML for inclusion in a mass layoff when state law generally limits doing so.
- Layoff planning that does not account for PFML status may create compliance risk, even when the layoff decision is otherwise legitimate.

What Employers Need to Do

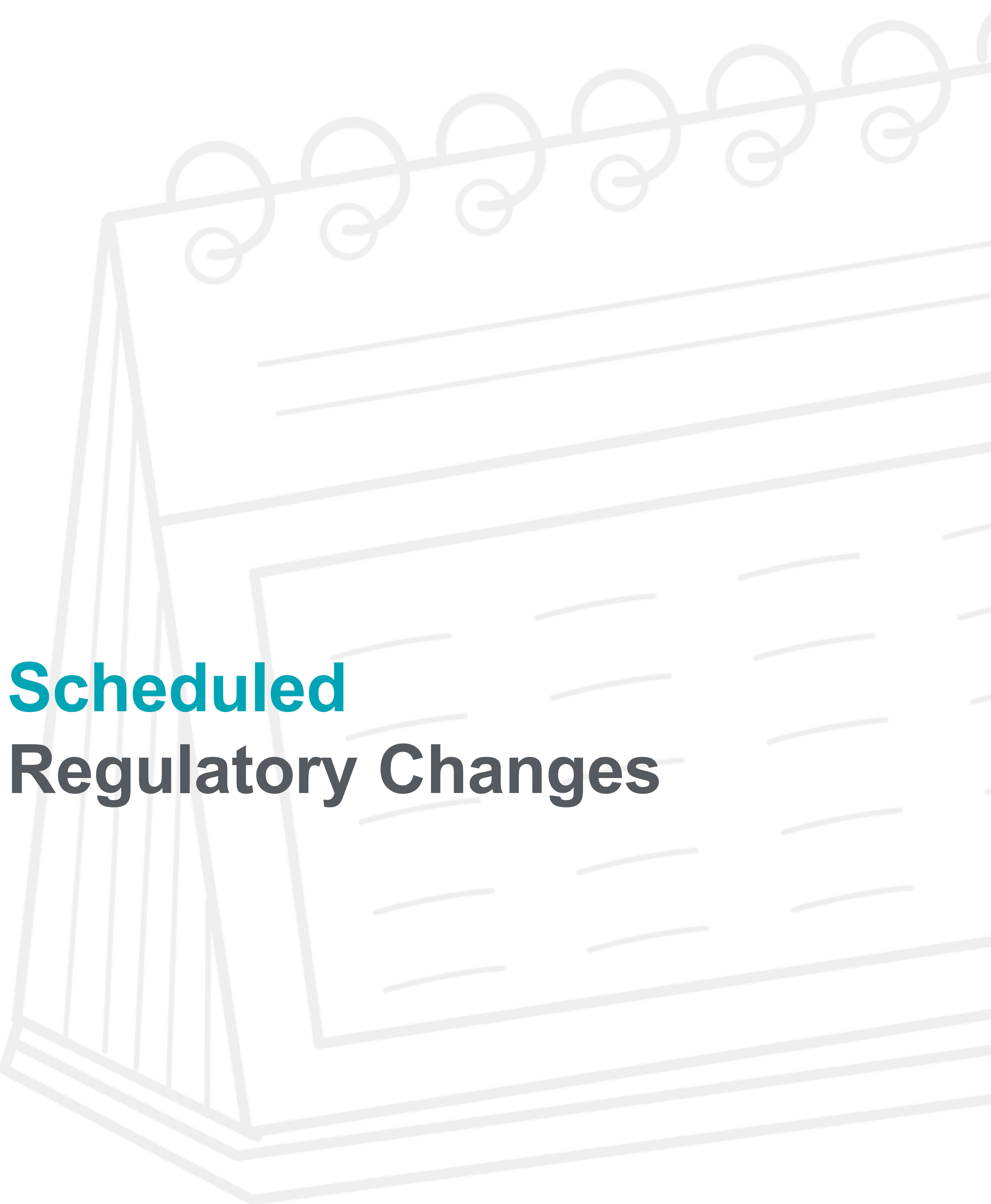
Bottom Line: Layoffs in Washington require special review when employees are on Paid Family and Medical Leave. PFML status can restrict layoff selection and limit when job restoration may be denied, even if a position is eliminated.

Key Risks for Employers

- **Wrongly including an employee on Paid Family and Medical Leave in a mass layoff:** The underlying law provides protection against this except under limited statutory circumstances.
- **Denying employment restoration without following the updated rule structure:** When a position is eliminated during or after Paid Family and Medical Leave, employers must look beyond the PFML restoration rule and confirm that denying restoration is allowed under Washington's mass layoff law (WAC 192-700-010; RCW chapter 49.45).
- **Missing required written notice when denying restoration:** If an employer denies restoration under section 192-700-010 (1)(a) or (1)(b), the employer must give written notice as soon as the decision is made, delivered in person or by certified mail, and include specific statements and dates (including health benefit end date).

Source References

- Washington PFML - Implementation of Engrossed Substitute Senate Bill 5525
- Washington Enacts Mini-WARN Law Requiring 60-Day Layoff Notices (VensureHR)



Scheduled
Regulatory Changes

Scheduled Regulatory Changes

State	Original Update Link	Effective Date
Federal	Reminder Federal: OSHA Form 300A Posting Begins on February 1, 2026, and Electronic Submission Is Due by March 2, 2026	February 1, 2026
Federal	Federal: IRS Releases 2026 Version of Form W-4	Deadline: February 4, 2026
Federal	Federal: DHS Finalizes Wage Weighted H-1B Selection Rule	February 27, 2026
Federal	New HIPAA Rule: Preparing Policy and Compliance Updates	February 16, 2026
California	California Workplace Know Your Rights Act Effective January 1, 2026	Deadline: February 1, 2026
California	Cal/OSHA COVID-19 Rule Sunsets Soon But…	February 3, 2026
Colorado	Colorado Consumer Protections for Artificial Intelligence Enacted	February 1, 2026
Michigan	Reminder Michigan: Working Hours for Minors Will be Reduced on March 31, 2026	March 31, 2026
New York	New York City Updates Earned Safe and Sick Time Act	February 22, 2026

Posting Updates
February 2026

Posting Updates February 2026

State	Updated Posting
Federal	Healthcare providers must update their HIPAA Notice of Privacy Practices (NPP) by February 16, 2026 to reflect new rules aligning HIPAA with 42 C.F.R. Part 2 protections for substance use disorder (SUD) records. The notice must describe stricter confidentiality and consent standards (including a single TPO consent), limits on redisclosure, prohibitions on use in legal proceedings without patient consent or a court order, and breach-notification duties for Part 2 data. Together, these changes ensure patients are clearly informed about the enhanced protections and rights that now apply to SUD information
California	California has updated its *Healthy Families Act (Paid Sick Leave)* posting in English and Spanish with changes to its usage section for paid sick leave.
Colorado	Colorado has updated its *Colorado Overtime and Minimum Pay Standards (COMPS) Order* posting in English and Spanish with a new minimum wage rate, its *Pay Day Notice* posting with formatting changes and updates, and its *Paid Family and Medical Leave Insurance (FAMLI)* posting in English and Spanish with formatting changes and updates.
Connecticut	Connecticut has updated its *Paid Sick Leave* posting in English and Spanish with changes to its employer requirements information.
Illinois	Illinois has updated its *Your Rights Under Illinois Employment Laws* posting in English and Spanish with changes to its violent crime section, and its *Victims' Economic Security and Safety Act (VESSA)* posting in English and Spanish with changes to its Accommodation & Discrimination sections.
Minnesota	Minnesota has added a Paid Sick Leave State Plan posting in Spanish and Paid Leave Equivalent Plan posting in Spanish to its offering.
New Jersey	New Jersey has updated its *Wage and Hour Law Abstract* posting with a new minimum wage rate.
New York	New York has updated its *Healthy Terminals Miscellaneous Industry Minimum Wage* posting in English and Spanish with formatting changes and added QR codes.
Rhode Island	Rhode Island has updated its *Discrimination* posting by removing its state law provision information, its *Notice to All Employees (UI & DI)* posting with changes to its care givers section, and its *Minimum Wage* posting in English and Spanish with a new minimum wage rate.
Washington	Washington has updated its *Paid Family and Medical Leave* posting in English and Spanish with formatting changes and verbiage updates.
West Virginia	West Virginia has updated its *Unemployment Benefits* posting with verbiage changes and new sections added.
County	**Updated Posting**
King County Unincorporated, WA	King County Unincorporated, WA, has updated its *King County Unincorporated Minimum Wage* posting in English and Spanish with a new minimum wage rate.
City	**Updated Posting**
Cupertino, CA	Cupertino, CA has updated its *Cupertino Minimum Wage* posting in English, Spanish, Hindi, and Chinese with a new minimum wage rate.
San Francisco, CA	San Francisco, CA, has updated its *San Francisco Paid Parental Leave Ordinance* posting with the addition of Vietnamese language, its *San Francisco Health Care Security Ordinance* posting with changes to its spending rates, its *San Francisco Family Friendly Workplace* posting with formatting changes, and its *San Francisco Fair Chance Ordinance* posting with changes to its posting requirements.

Posting Updates February 2026

City	Updated Posting
Fort Wayne, IN	Fort Wayne, IN, has added a *No Smoking - No Vaping within 8 Feet of Entrance* posting to its offering.
St. Paul, MN	St. Paul, MN, has updated its *St. Paul Minimum Wage and Earned Sick and Safe Time* posting in English and Spanish with updates to the earned sick and safe time uses information.