



2026

HR COMPLIANCE JUNE LEGAL UPDATES

Information on new, updates, and reminders on federal and state legal updates.

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Federal Legal Updates

Federal Legal Update

Contractor Minimum Wage Increases for Legacy Contracts

On February 9, 2026, the U.S. Department of Labor (DOL) announced updated minimum wage rates for certain federal contracts covered by Executive Order 13658.

Effective May 11, 2026, the minimum wage increased to \$13.65 per hour for non-tipped employees and \$9.55 per hour for tipped employees on covered legacy federal contracts.

This update applies to certain federal contracts entered into between January 1, 2015, and January 29, 2022, that were not renewed or extended on or after January 30, 2022.

Overview

- › On February 9, 2026, DOL announced that the Executive Order 13658 minimum wage for certain covered federal contracts would increase to \$13.65 per hour and \$9.55 per hour for tipped employees, effective May 11, 2026.
- › The update applies only to certain federal contracts entered into between January 1, 2015, and January 29, 2022, that were not renewed or extended on or after January 30, 2022.

Why This Matters

This is a narrow rate update for covered legacy federal contracts that were already addressed in Vensure's earlier communication.

What Employers Need to Do

- › Review whether any covered legacy federal contracts remain active after May 11, 2026.
- › If so, update pay rates to at least \$13.65 per hour or \$9.55 per hour for tipped employees and ensure the applicable federal contractor notice is posted.

Key Risks for Employers

- › Assuming the prior communication's rates are still current, even though DOL later increased the Executive Order 13658 rates.
- › Overlooking whether an older contract still falls within the limited legacy-contract scope.

Source References

- › [DOL Wage and Hour Division - Executive Order 13658, Establishing a Minimum Wage for Contractors: Annual Update](#)
- › [Federal Register - Minimum Wage for Federal Contracts Covered by Executive Order 13658, Notice of Rate Change in Effect](#)
- › [Federal: Federal Contractors Minimum Wage Reverted to the Obama Era Rates \(VensureHR\)](#)

Federal Legal Update

DOL Restores 2019 Federal Overtime Salary Thresholds

On May 14, 2026, the U.S. Department of Labor (DOL) formally updated its overtime regulations by removing the 2024 rule and restoring the prior 2019 salary thresholds of the Fair Labor Standards Act (FLSA).

Although this is a new regulatory update, it does not significantly change day-to-day practices, as the DOL had already been enforcing the 2019 thresholds after courts blocked the 2024 rule.

The federal salary threshold for most executive, administrative, and professional employees is \$684 per week (\$35,568 annually), and the highly compensated employee threshold is \$107,432 annually.

This update applies to employers covered by the FLSA's white-collar exemptions and took effect on May 15, 2026.

Overview

- › The Department of Labor (DOL) issued a technical amendment that removed the 2024 overtime rule and restored the prior 2019 regulatory framework
- › Most exempt executive, administrative, and professional employees must be paid at least \$684 per week (\$35,568 annually).
- › The highly compensated employee (HCE) threshold is \$107,432 annually, including at least \$684 per week paid on a salary basis.
- › The now-rescinded 2024 rule would have increased salary thresholds in 2024 and 2025 and introduced automatic updates every three years.
- › Federal courts blocked the 2024 rule, and those decisions remain in effect.
- › The DOL emphasized that exempt status depends on a three-part analysis: the duties test, salary basis test, and salary level test.
- › The agency also noted that the salary basis and salary level tests do not apply to certain categories, such as doctors, lawyers, teachers, and outside sales employees.

Why This Matters

For most employers, this action was more of a formal regulatory cleanup than a dramatic change in day-to-day federal enforcement, because WHD had already returned to enforcing the 2019 thresholds after the 2024 rule was vacated in court.

What Employers Need to Do

- › Review exempt classifications to confirm that employees treated as exempt under the executive, administrative, or professional exemptions still satisfy the restored federal salary threshold.
- › Ensure exempt employees meet the duties and salary basis tests—not just the salary level.
- › Check for stricter state law requirements, which may impose higher salary thresholds or different duty standards.
- › Update payroll, exemption-audit, and internal guidance materials to reflect the restored 2019 thresholds and removal of the 2024 rule's automatic triennial increases.
- › Evaluate whether any compensation changes made during the 2024 rule period should remain in place for employee relations, retention, or state law compliance reasons.

Key Risks for Employers

- › Assuming salary level alone determines exempt status.
- › Overlooking state-law overtime exemption.
- › Failing requirements to revisit exemption classifications changes made during the 2024 rule period.
- › Reversing prior pay decisions without considering employee relations, retention, or multi-state compliance implications.

Federal Legal Update

Even so, the amendment mattered because it removed uncertainty from the Code of Federal Regulations and formally confirmed that the currently operative federal thresholds are the 2019 levels, not the higher 2024 levels.

It also served as a reminder that exemption compliance is not just a salary question. Employers must still evaluate the full exemption test and account for state laws that may impose higher salary thresholds or more demanding exemption standards.

Additional Information

The Federal Register amendment also restored certain special salary thresholds for certain U.S. territories, including \$455 per week in the Commonwealth of the Northern Mariana Islands (CNMI), Guam, Puerto Rico, and the U.S. Virgin Islands, and \$380 per week in American Samoa.

The DOL said employers and workers may seek compliance assistance through WHD's toll-free helpline, and it also reminded employers that the agency's Payroll Audit Independent Determination (PAID) program remains available for certain self-reported wage-and-hour and Family and Medical Leave Act issues.

Source References

- › [Federal Register - Technical Amendment - DOL Rescinding exemptions for executive, administrative, professional employees](#)
- › [DOL Press Release - US Department of Labor announces technical amendment restoring regulations on exemptions for executive, administrative, professional employees](#)

Federal Legal Update

EEOC Moves to Rescind Federal EEO-1 Reporting

On May 14, 2026, the Equal Employment Opportunity Commission (EEOC) submitted a proposed rule to the Office of Information and Regulatory Affairs (OIRA), part of the Office of Management and Budget (OMB), titled “Rescission of EEO-1, EEO-2, EEO-3, EEO-4, EEO-5, and Reporting Requirement Under Title VII, the ADA, GINA, and the PWFA.”

The proposal signals that the EEOC may try to eliminate long-standing federal equal employment opportunity reporting requirements, including the EEO-1 Component 1 report used by covered private employers and certain federal contractors.

This update applies to employers currently subject to federal EEO reporting, but it is not final. As of June 8, 2026, the proposal remained under OIRA review, and current reporting obligations were still in effect.

Overview

The EEOC has begun the process of proposing a rollback of several federal EEO reporting requirements, including EEO-1 and related reports for unions, government employers, and school systems.

The publicly available government record is currently limited to the OIRA review entry, which identifies the proposal as an economically significant proposed rule.

No proposed regulatory text was publicly available yet through the OIRA entry, and the process had not advanced to Federal Register publication.

Current EEO-1 Framework Still Applies

- › The EEO-1 Component 1 report remains a mandatory annual data collection for covered private employers with 100 or more employees and certain federal contractors with 50 or more employees meeting specified criteria.
- › The EEOC’s official EEO Data Collections page states that the 2024 EEO-1 Component 1 Data Collection is closed and that updates regarding the 2025 EEO-1 Component 1 collection will be posted when available.
- › As of June 8, 2026, the EEOC had not announced a 2026 filing deadline or opened the portal for the 2025 reporting cycle.

What the Proposal Appears to Cover

- › The proposal title indicates the EEOC is seeking to rescind not just EEO-1, but also EEO-2, EEO-3, EEO-4, and EEO-5 reporting requirements.

What Employers Need to Do

- › Continue preparing for the 2025 EEO-1 filing cycle unless and until the rescission becomes final.
- › Do not dismantle current demographic data tracking systems, because the proposal may take months and could face legal challenge or reversal.
- › Confirm workforce snapshot data and job category assignments so reporting can be completed if the EEOC opens the 2026 filing portal.
- › Assigning a responsible internal owner for EEO-1 compliance and monitoring of EEOC announcements.
- › Review state and local reporting requirements separately, because federal changes would not eliminate state-level obligations.

Key Risks for Employers

- › Treating the proposal as final and failing to prepare for a possible 2025 EEO-1 filing in 2026. The rescission is still in the rulemaking process, and the EEOC has not announced that any current filing cycle has been canceled.
- › Dismantling demographic tracking processes too early and having to rebuild them on short notice. If the proposal is withdrawn, delayed, or blocked by legal challenge, employers will still need workforce data ready for reporting.
- › Missing future EEOC updates because the portal has not yet opened and the agency has not announced a filing deadline. Employers without a designated internal owner for EEO-1 compliance may not catch announcements in time.
- › Overlooking state or local pay-data or demographic-reporting obligations that may continue even if federal reporting changes. Eliminating the federal EEO-1 framework would not affect state-level requirements such as California’s pay data reporting or Illinois’s EEO reporting obligations.

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- › The title also signals an effort to eliminate reporting requirements tied to Title VII of the Civil Rights Act, the Americans with Disabilities Act (ADA), the Genetic Information Nondiscrimination Act (GINA), and the Pregnant Workers Fairness Act (PWFA).
- › Covered reports currently apply to different filer groups, including private employers, certain labor unions, state and local governments, and public elementary-secondary school systems.

Rulemaking Process and Timing

- › OIRA review is an early step in the federal rulemaking process under Executive Order 12866, and law firm sources note that OIRA review typically may take up to 90 days.
- › If OIRA clears the proposal, the EEOC would still need to publish the proposed rule in the Federal Register, open a public comment period, and address related Paperwork Reduction Act (PRA) requirements before any rescission could take effect.
- › Because that process takes time, several law firm analyses conclude that employers should still assume reporting may be required for the 2025 cycle.

Litigation and Legal Risk

- › Law firm analyses caution that agencies generally cannot rescind a long-standing reporting framework by announcement alone; they must satisfy Administrative Procedure Act (APA) requirements for reasoned rulemaking.
- › Those analyses also point to prior litigation over the EEOC's reporting changes, including a federal court decision requiring the EEOC to proceed with Component 2 pay data after the agency failed to provide a sufficient explanation for suspension.
- › Even if a final rescission rule is published, law firm commentary notes that the change could still face litigation or congressional response.

Why This Matters

This proposal could significantly reduce federal workforce demographic reporting obligations if finalized, but it has not yet changed employer obligations.

Employers that assume filing is already canceled risk noncompliance if the EEOC opens the reporting cycle before the rescission process is complete.

Employers should stay prepared to file while monitoring rulemaking developments and should also be aware that state and local reporting obligations may remain in place even if the federal EEO-1 framework is eliminated.

Source References

- › [OIRA - Rescission of EEO-1, EEO-2, EEO-3, EEO-4, EEO-5, And Reporting Requirement Under Title VII, the ADA, GINA, and the PWFA - 3046-AB37](#)

Federal Legal Update

EEOC Releases New National Enforcement Plan

On June 4, 2026, the U.S. Equal Employment Opportunity Commission (EEOC) approved a new National Enforcement Plan (NEP) for fiscal years 2025–2029, replacing the prior 2024–2028 Strategic Enforcement Plan.

The NEP formally shifts the agency's enforcement priorities toward intentional discrimination claims, also known as disparate treatment, while reducing focus on disparate impact claims. It also identifies certain diversity, equity, and inclusion (DEI) practices as enforcement targets.

This update applies to all employers covered by Title VII of the Civil Rights Act of 1964 and other statutes enforced by the EEOC, effective June 4, 2026.

Overview

What the NEP Changes

- › The EEOC rescinded the prior Strategic Enforcement Plan for Fiscal Years 2024–2028 and replaced it with the National Enforcement Plan for Fiscal Years 2025–2029.
- › The agency states it will prioritize disparate treatment claims and limit use of disparate impact theories in investigations and litigation to the extent allowed by law.
- › The NEP ties this shift to Executive Order 14281, Restoring Equality of Opportunity, and Meritocracy, issued on April 23, 2025, which directs agencies to deprioritize disparate impact enforcement to the extent allowed by law.
- › The agency also adopts a nationwide enforcement model, meaning it may reassign cases across district offices or use headquarters staff to support priority investigations or litigation.

DEI-Related Enforcement Targets

- › The NEP identifies broad-based employment policies, programs, or practices labeled or framed as DEI or similar terms as a priority enforcement area.
- › Specific examples listed in the signed plan include:
 - › Race- or sex-based quotas, including so-called aspirational goals that function as quotas.
 - › Limiting access to training, internships, fellowships, mentorship, sponsorship, apprenticeships, bonuses, or employer-sponsored groups based on protected characteristics.

What Employers Need to Do

- › Review hiring, promotion, compensation, layoff, and accommodation policies to identify any practices that could be characterized as involving race-, sex-, or other protected-characteristic-based decision-making.
- › Audit DEI-related programs, including diverse-slate policies, diversity hiring panels, required diversity statements, and compensation tied to demographic goals, for intentional-discrimination risk under the NEP's enforcement framework.
- › Train HR staff and managers in the distinction between lawful equal-opportunity practices and practices the EEOC now considers potential intentional discrimination.
- › Continue monitoring state and local anti-discrimination laws, which may still support disparate impact claims even as federal enforcement of that theory decreases.
- › Track future EEOC guidance and litigation activity, as the NEP remains in effect until the Commission changes or withdraws it.

Key Risks for Employers

- › **DEI program exposure:** Employers with programs involving race- or sex-based quotas, diverse-slate policies, diversity hiring panels, or compensation tied to demographic goals now face heightened federal enforcement attention.
- › **Misreading the shift as a safe harbor:** The deprioritization of disparate impact at the federal level does not eliminate that theory under state or local law, and employers may still face claims under those frameworks.
- › **Nationwide enforcement reach:** The EEOC's new model allows reassignment of matters across offices, meaning employers in any region could face enforcement action regardless of where the investigation originated.

Federal Legal Update

- › Diverse-slate policies, diverse hiring panels, required diversity statements, evaluation rubrics that consider protected characteristics, race or sex data shared beyond HR or legal, and compensation tied to demographic goals.

Other Priority Areas

- › Repeated or overt discrimination, including facially discriminatory policies, discriminatory job advertisements, and systemic harassment.
- › Preferences for guest worker visa holders or Permanent Labor Certification (PERM) applicants in hiring.
- › Vulnerable workers, including teenage workers, low-wage workers, survivors of sexual assault, and workers with developmental or intellectual disabilities.
- › Retaliation against individuals participating in EEOC proceedings or opposing unlawful discrimination.
- › Unresolved legal questions tied to recent Supreme Court decisions, including *Ames v. Ohio Department of Youth Services*, *Muldrow v. St. Louis*, *Students for Fair Admissions*, *Groff v. DeJoy*, and *Bostock v. Clayton County*.
- › The scope of liability under the Pregnant Workers Fairness Act (PWFA).

Broader Federal Context

- › This NEP fits into a broader enforcement direction that began before the plan's release. In March 2025, the EEOC and the U.S. Department of Justice (DOJ) issued technical assistance stating that DEI initiatives may be unlawful under Title VII if they involve employment actions motivated by race, sex, or another protected characteristic.
- › In February 2026, EEOC Chair Andrea Lucas sent a reminder letter to Fortune 500 leadership reiterating those Title VII obligations and directing companies to the DEI-related technical assistance materials.

Why This Matters

The NEP redirects the EEOC's enforcement focus toward intentional discrimination and identifies certain DEI-related practices as priority enforcement areas through fiscal year 2029.

This does not change the text of Title VII or any other statute the EEOC enforces, but it does change what the agency says it will emphasize when deciding which cases to pursue. Employers should also be aware that state and local laws may still support disparate impact claims, so federal deprioritization of that theory does not eliminate the risk entirely.

- › **Retaliation risk:** The NEP identifies retaliation as a standalone enforcement priority, which means employers who take adverse action against employees involved in EEOC proceedings face heightened scrutiny.
- › **Evolving legal landscape:** The NEP ties enforcement priorities to recent Supreme Court decisions that are still being interpreted, meaning the scope of what the EEOC considers unlawful may continue to shift.

Source References

- › [EEOC Press Release - EEOC Releases New National Enforcement Plan \(June 4, 2026\)](#)
- › [EEOC NEP pdf \(June 4, 2026\)](#)

Federal Legal Update

Federal Court Vacates \$100,000 H-1B Fee

On June 8, 2026, a federal judge in the District of Massachusetts vacated the \$100,000 H-1B application fee imposed under President Trump's September 19, 2025, proclamation, [Restriction on Entry of Certain Nonimmigrant Workers](#).

The court held that the fee functioned as an unauthorized tax that exceeded presidential authority under the Immigration and Nationality Act (INA) and violated the Administrative Procedure Act (APA) due to the absence of notice-and-comment rulemaking.

This update applies to employers that sponsor or plan to sponsor H-1B nonimmigrant workers and the vacatur took effect on June 8, 2026, but a conflicting ruling from a [federal court in Washington, D.C.](#) remains in place and an appeal is expected.

Overview

What the Court Ruled

- › The court granted the plaintiffs' motion for summary judgment and vacated the policy materials implementing the \$100,000 fee in their entirety.
- › The judge held that the \$100,000 payment functioned as a tax, not a valid fee or penalty, because hiring H-1B workers is lawful and the government conceded the payment was not tied to the cost of administering a service.
- › The court found that INA [Sections 212\(f\)](#) and [215\(a\)](#) authorize restrictions on entry but do not clearly delegate Congress's taxing power to the President. The policy violated separation-of-powers principles.
- › The court also found multiple APA violations: the agencies issued legislative rules without notice-and-comment rulemaking, exceeded their statutory authority, and acted in an arbitrary and capricious manner by failing to provide a reasoned explanation, consider reliance interests, or assess impacts on sectors like education and healthcare.

Current Litigation Landscape

- › A separate federal court in Washington, D.C. previously upheld the fee in a different challenge, creating a split in the litigation landscape.
- › The government is expected to appeal the Massachusetts ruling and may seek a stay, which could temporarily reinstate the fee while the appeal proceeds.
- › Because of the conflicting rulings, the legal status of the fee may remain unsettled until an appellate court resolves the disagreement.

What Employers Need to Do

- › Review pending and planned H-1B petitions to determine which filings may benefit from the vacatur while it remains in effect.
- › Preserve documentation of all workforce-planning decisions made in reliance on the \$100,000 fee, including any delayed or abandoned petitions.
- › Monitor appellate activity closely, particularly any government request for a stay that could reinstate the fee on short notice.
- › Consult immigration counsel before assuming the fee no longer applies, given the conflicting rulings and the expected appeal.
- › Evaluate whether refund claims may be available for fees already paid once United States Citizenship and Immigration Services (USCIS) issues further guidance.

Key Risks for Employers

- › **Assuming the fee is permanently eliminated:** The government is expected to appeal and the fee could be reinstated while the case continues.
- › **Operational disruption from shifting requirements:** Employers may need to adjust H-1B filing strategies quickly if the fee is reinstated through appellate action.
- › **Unresolved refund status:** Employers who already paid the \$100,000 fee do not yet have clear guidance on whether or how refunds will be processed.
- › **Workforce-planning exposure:** Employers who delayed H-1B petitions because of the fee may face timing and compliance challenges if they now need to file promptly.
- › **Conflicting court rulings:** The D.C. ruling upholding the fee and the Massachusetts ruling vacating it create legal uncertainty that may not be resolved until an appellate court weighs in.

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Practical Status

- › USCIS should not require the \$100,000 fee for now while the Massachusetts vacatur remains in effect.
- › Refunds for fees already paid were not clearly resolved in the decision and have not yet been addressed in available guidance.

Why This Matters

The ruling provides immediate financial relief for employers sponsoring H-1B workers by removing a \$100,000 barrier that had significantly increased the cost of hiring foreign talent since September 2025.

However, the conflicting D.C. ruling and the expected appeal mean the legal landscape remains unsettled, and the fee could be reinstated if the government obtains a stay or prevails on appeal. Employers should treat the current relief as meaningful but potentially temporary.

Additional Information

The plaintiffs in this case included entities in public education, public universities, and healthcare systems that alleged harm to their ability to hire and retain workers through the H-1B program. The court found those allegations sufficient for standing.

As relief, the court vacated the implementing policy materials in their entirety and issued declaratory relief but declined to issue a separate permanent injunction, stating that vacatur already provided complete relief.

Source References

- › [25-13829 - State of California et al v. Noem et al - June 8, 2026](#)
- › [Reminder Federal: H-1B Visa Program Gets a \\$100,000 One Time Fee \(VensureHR\)](#)

Federal Legal Update

USCIS Signals Shift Away from Adjustment of Status

On May 22, 2026, the United States Citizenship and Immigration Services (USCIS) issued new guidance emphasizing that adjustment of status (AOS) (the process of obtaining a green card from within the United States) is a discretionary and “extraordinary” form of relief, not the default pathway.

The agency signaled that many nonimmigrant workers may instead be expected to complete the green card process through consular processing abroad, with USCIS evaluating in-country adjustment requests on a case-by-case basis.

This update applies to employers sponsoring foreign national employees for permanent residence and reflects a shift in adjudication approach, not a statutory change.

Overview

USCIS issued policy guidance emphasizing that adjustment of status is discretionary, not guaranteed, and should be treated as exceptional relief. The agency is signaling a stronger preference for consular processing abroad as the ordinary pathway to permanent residence.

The change reflects heightened scrutiny and case-by-case review, rather than eliminating adjustment of status entirely.

Adjustment of Status Reframed

- › Adjustment of status is a benefit granted at USCIS discretion, not a right.
- › Applicants must demonstrate they merit this “extraordinary” relief, even if they meet statutory eligibility requirements.
- › Officers are instructed to evaluate cases using a totality-of-the-circumstances analysis.

Preference for Consular Processing

- › USCIS indicates that nonimmigrants are generally expected to complete their stay and pursue immigrant visas abroad.
- › Consular processing is framed as the default path, with adjustment as an exception.
- › Remaining in the U.S. to pursue adjustment instead of leaving may be treated as a negative discretionary factor.

Increased Scrutiny of Applications

- › USCIS will weigh immigration history, status violations, and conduct inconsistent with visa status.
- › Factors such as fraud, unauthorized employment, or failure to maintain status may weigh against approval.

What Employers Need to Do

- › Review green card strategies for foreign national employees, especially those planning to adjust status within the United States.
- › Confirm that employees maintain valid underlying visa status (e.g., H-1B, L-1) throughout the green card process.
- › Prepare for potential consular processing scenarios, including international travel and work authorization gaps.
- › Train HR and immigration teams on increased discretion, case-by-case adjudication, and documentation pitfalls.
- › Coordinate closely with immigration counsel to evaluate whether adjustment of status or consular processing is the stronger path.

Key Risks for Employers

- › Workforce disruption if employees must travel abroad to complete consular processing.
- › Increased risk of adjustment-of-status denials based on discretionary factors.
- › Greater dependence on maintaining a valid visa status throughout the process.
- › Delays and uncertainty tied to consular processing timelines and scheduling.
- › Inconsistent outcomes due to case-by-case adjudication and heightened scrutiny.

Source References

- › [USCIS - Press Release \(05/22/26\)](#)
- › [USCIS - Policy Memorandum - PM-602-0199 \(May 21, 2026\)](#)

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- › Applicants may need to demonstrate strong positive equities to overcome negative factors.

Dual-Intent Visa Considerations

- › Seeking permanent residence is still not inherently inconsistent with dual-intent visas (e.g., H-1B, L-1).
- › However, holding a dual-intent visa does not guarantee approval of adjustment of status.
- › Each case will still be evaluated individually based on discretionary factors.

Why This Matters

This shift matters because it changes expectations for how foreign national employees can complete the green card process.

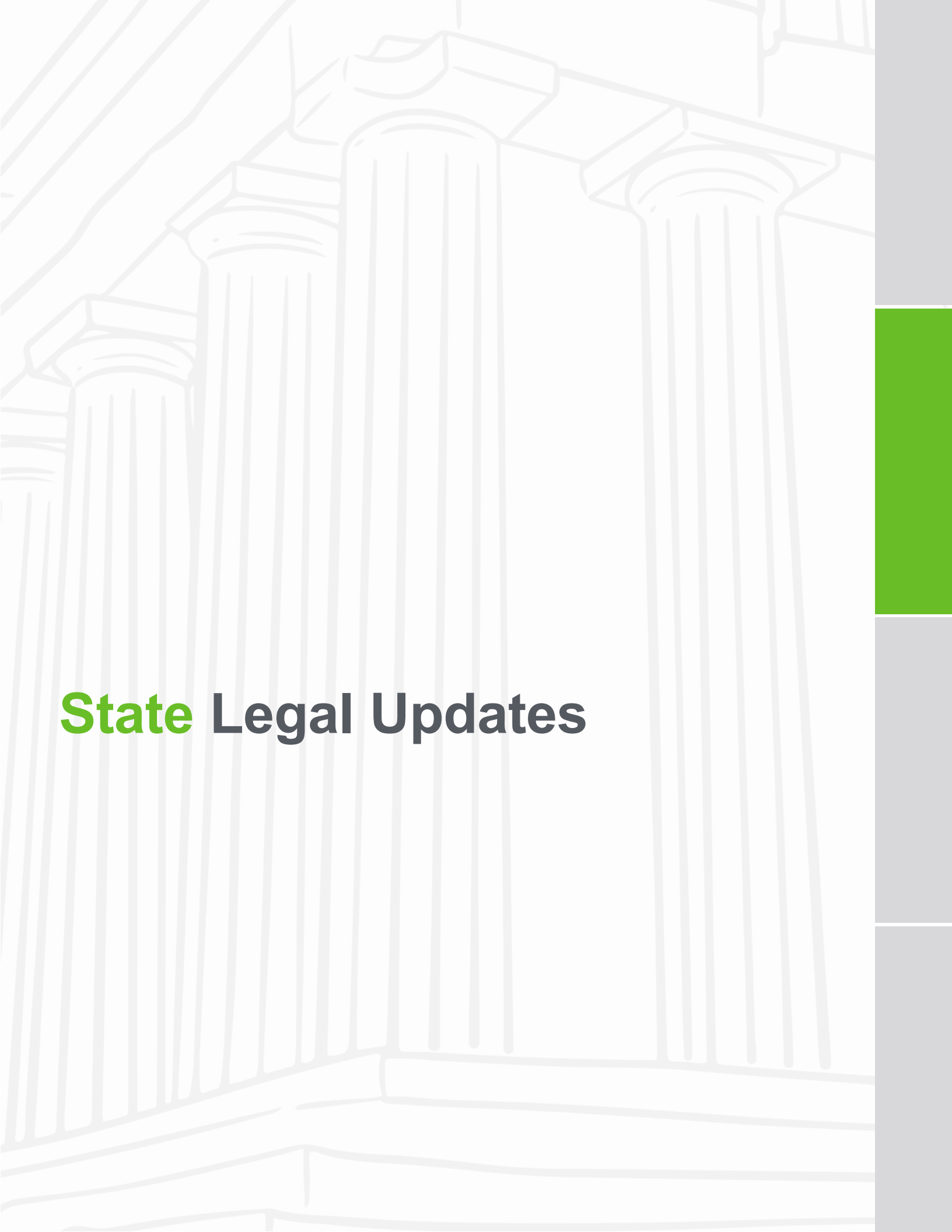
For employers, the impact is operational: workforce planning, travel logistics, and immigration timelines may become more complex as more cases are routed through consular processing instead of in-country adjustment.

It also increases uncertainty because eligibility alone is no longer sufficient. Approval depends on discretionary factors that may vary from case to case.

Additional Information

USCIS has not eliminated adjustment of status as a pathway, and applicants may still file Form I-485 if eligible. However, the agency is signaling that approval will depend on discretionary analysis rather than routine eligibility.

Employers should treat this as a policy-direction change that increases scrutiny and shifts many cases toward overseas visa processing, rather than a formal change to immigration law.

The background features a light gray line-art illustration of classical columns, likely representing a courthouse or government building. On the right side, there is a vertical bar with three segments: a light gray top segment, a bright green middle segment, and a light gray bottom segment.

State Legal Updates

State Legal Update

Alabama Enacts Personal Data Protection Act

On April 16, 2026, Governor Kay Ivey signed House Bill 351 into law as the Alabama Personal Data Protection Act (APDPA). The law created a comprehensive consumer privacy framework that grants Alabama consumers privacy rights, imposes duties on controllers and processors, and authorizes enforcement by the Alabama Attorney General.

The APDPA applies to businesses that operate in Alabama or target Alabama residents and either control or process the personal data of more than 25,000 consumers (excluding data processed solely to complete a payment transaction) or derive more than 25% of gross revenue from the sale of personal data.

This update applies to covered businesses doing business in Alabama or targeting Alabama residents, and the law takes effect on May 1, 2027.

Overview

- › One notable feature of the APDPA is its revenue-based coverage, which applies regardless of the number of consumers whose data is processed.
- › The APDPA excludes individuals acting in a commercial or employment context, which places most traditional HR and employment-related data outside the law's scope.
- › Consumers receive familiar rights to confirm whether personal data is being processed, access it, correct inaccuracies, delete it, obtain a portable copy of certain data they previously provided, and opt out of targeted advertising, the sale of personal data, and certain profiling tied to solely automated significant decisions.
- › The law requires controllers to limit personal data collection to what is adequate, relevant, and reasonably necessary, maintain reasonable administrative, technical, and physical security practices, provide compliant privacy notices, and obtain consent before processing sensitive data in specified circumstances.
- › Processors are required to follow controller instructions, assist with compliance, and operate under contracts that define the nature, purpose, duration, and obligations associated with processing.
- › The law's definition of sale of personal data is distinctive. It includes some exchanges for monetary or other valuable consideration where the controller receives a material benefit and the recipient is not restricted in later uses, but it excludes certain disclosures for analytics services and for marketing services provided solely to the controller.

What Employers Need to Do

- › Review whether the organization meets the APDPA's applicability thresholds and whether any exemptions apply.
- › Identify Alabama consumer personal data, including where it is collected, where it is stored, how it is used, and which vendors or third parties receive it.
- › Update privacy notices and processes so the organization can respond to consumer requests (such as access, correction, deletion, portability, and opt-out) within required timelines.
- › Review advertising analytics and marketing-vendor relationships to determine whether any data sharing could be considered a sale of personal data and whether contracts properly limit how data is used.
- › Review sensitive data and minors' data practices, including whether consent processes are sufficient, particularly for consumers ages 13 through 15, when data would be sold or used for targeted advertising.

Key Risks for Employers

- › Misjudging whether the organization is in scope, especially given the relatively low 25,000-consumer threshold and the fact that the revenue-based threshold does not require a minimum number of consumers.
- › Assuming employment-related exemptions remove all risk when the organization also collects consumer-facing data through websites, apps, marketing programs, or other customer-facing channels.
- › Assuming analytics, advertising, or marketing-related data sharing is not considered a "sale" without confirming how the receiving party is allowed to use the data.
- › Failing to build workable consumer-rights response systems and privacy notices before the law becomes effective, especially where the business has not previously implemented a broader state-privacy compliance program.

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- › The APDPA also includes broad exemptions, including for many small businesses, certain nonprofits, institutions of higher education, HIPAA-regulated entities and business associates, GLBA-regulated financial institutions and affiliates, and numerous federally regulated data sets.

Why This Matters

The APDPA is aimed at consumer data, not most workplace data, making it less directly relevant to traditional HR information than some other state privacy laws.

For employers with consumer-facing operations, however, the law can affect how personal data is collected, used, shared, and disclosed through websites, apps, marketing programs, and other customer interactions.

Additional Information

The APDPA is enforced exclusively by the Alabama Attorney General, and the statute does not create a private right of action. Before taking enforcement action, the Attorney General provides a 45-day period to cure any violations.

The law includes provisions on children's privacy. Organizations that comply with the federal Children's Online Privacy Protection Act (COPPA) satisfy consent requirements for children under 13. For consumers ages 13 through 15, consent is required before selling or using personal data for targeted advertising when the organization has actual knowledge of the consumer's age.

- › Ignoring the cure notice process on the assumption that it eliminates exposure; if violations are not cured within 45 days after notice, a court may impose civil penalties of up to \$15,000 per violation.

Source References

- › [Alabama HB 351 - Data privacy; processing of data regulated, consumer actions related to data authorized](#)

State Legal Update

California WVPP Annual Review and Training Deadlines

As a reminder that California employers may face upcoming annual review and retraining obligations under the state's workplace violence prevention requirements.

[Labor Code section 6401.9](#) required covered employers to maintain an effective written Workplace Violence Prevention Plan (WVPP), review it at least annually as well as after certain triggering events, and provide annual workplace violence prevention training.

This law took effect on July 1, 2024, and employers that implemented a WVPP around that time are now approaching a July 1, 2026, annual review and retraining cycle.

Overview

- › At a minimum, the annual review should have examined the violent incident log, employee-involvement procedures, and the effectiveness of the plan as a whole.
- › Annual training also remained mandatory, including training on workplace-violence hazards specific to employees' jobs, strategies to avoid physical harm, and reporting procedures.
- › Cal/OSHA's general-industry guidance page remained the better source for current compliance obligations, while the advisory-meetings page tracked the proposed future regulation.
- › On April 23, 2026, Cal/OSHA posted a revised draft standard for proposed Title 8, section 3343 and invited comments by June 1, 2026, but that draft did not replace the live statutory requirements under section 6401.9.

Why This Matters

For employers, this reminder mattered because California's workplace violence prevention requirements were never a one-time rollout. The statute required ongoing review, revision, and retraining, meaning employers that implemented a WVPP in 2024 needed to revisit both their written plan and their training calendar as annual deadlines approached.

This update is particularly important given the revised Cal/OSHA draft, which could create confusion for employers. While employers can review the draft to anticipate the direction of future rulemaking, current compliance should continue to be measured against Labor Code section 6401.9 and Cal/OSHA's existing guidance, not a discussion draft.

What Employers Need to Do

- › Calendar annual WVPP review and retraining deadlines if the employer has not already done so, especially where the original implementation occurred in spring or early summer 2024.
- › Conduct a substantive annual WVPP review, not a formality, including review of the violent incident log, prior incident investigations, employee-involvement procedures, and whether the plan is still effective in practice.
- › Confirm the WVPP still functions as written, including whether the designated responsible person, reporting channels, emergency response procedures, investigation steps, communication practices, and employee participation mechanisms remain accurate and workable.
- › Provide annual workplace violence training that covers job-specific workplace violence hazards, strategies to avoid physical harm, reporting procedures, and employees' ability to ask interactive questions and receive answers from a knowledgeable person.
- › Check recordkeeping readiness so the employer can produce required WVPP-related records if Cal/OSHA inspects, including logs, incident investigations, hazard-correction records, and training records.

Key Risks for Employers

- › **Treating the annual WVPP review as a check-the-box exercise** instead of a substantive review of logs, incident history, employee involvement, and plan effectiveness.
- › **Missing annual workplace violence training deadlines** or failing to cover job-specific hazards and required reporting topics.
- › **Failing to revise the WVPP after an incident or after a deficiency became apparent**, which is a separate trigger for review beyond the annual cycle.

State Legal Update

Additional Information

Cal/OSHA's current general-industry guidance explains the live requirements under Labor Code section 6401.9, including plan elements, hazard assessment, response procedures, training, and recordkeeping. It also notes that records of hazard identification, violent incident logs, and incident investigations must generally be retained for five years, while training records must be kept for at least one year.

The advisory meetings page separately tracks draft versions of the proposed permanent regulation, including the April 23, 2026, revised discussion draft and earlier advisory materials from 2024 and 2025.

- › Relying on draft regulatory language instead of current law when assessing present obligations under California's workplace violence requirements.

Source References

- › [DIR - Workplace Violence Prevention in General Industry](#)
- › [DIR - Cal/OSHA Workplace Violence Prevention for General Industry \(Non-Health Care Settings\)](#)
- › [Cal/OSHA Workplace Violence Prevention Regulation Advances Post-Comment Period \(VensureHR\)](#)

State Legal Update

Colorado Protects Workers from Employer ID Confiscation

On June 4, 2026, Colorado enacted House Bill 26-1283, which limits when employers can collect or keep workers' government-issued identification documents.

With limited exceptions, employers may not require employees, applicants, or other workers to provide or leave their identification documents with the employer.

This update applies broadly to Colorado employers and their agents, and covers applicants, employees, and individuals performing work in any capacity. The bill became law on June 4, 2026.

Overview

Colorado House Bill 26-1283 establishes statewide protections that limit when employers can take or keep government-issued identification documents.

Key Elements:

- › Employers and their agents may not demand, seize, or retain a worker's original government-issued ID as a condition of employment or work.
- › The law applies to employees, job applicants, contractors, and migrant or seasonal workers, regardless of immigration or employment status.

Limited Exceptions:

- › Temporary retention for federal employment eligibility verification is allowed, with strict time limits.
- › Retention is also permitted if explicitly required by law or court order.
- › Employers must provide written notice explaining ID protections at the time of verification and retain proof of acknowledgment.
- › The law took effect immediately upon enactment in 2026 under a safety clause.

Why This Matters

Colorado now restricts employers and their agents from holding workers' government-issued identification documents except in limited circumstances.

For employers, the biggest impact is operational: onboarding, verification, and security practices must be reviewed to ensure identification documents are handled only as the law allows.

The change also raises compliance risk because violations may result in criminal penalties and, in some circumstances, additional civil exposure.

What Employers Need to Do

- › Ensure no practice requires employees, applicants, or contractors to surrender original identification documents beyond what the law allows.
- › When completing federal employment eligibility verification, retain original IDs only as long as necessary (no more than 10 hours) and return them promptly.
- › When temporarily retaining an identification document for federal employment eligibility verification, provide the required written notice, obtain the worker's acknowledgment, and retain that record as required. Official legislative materials indicate the notice must be in English and, in some circumstances, in additional languages.
- › Remove any policy that allows supervisors, recruiters, security staff, or third-party agents to hold worker IDs. Train all parties involved in the new prohibition.
- › Confirm that contractors and staffing partners understand the law applies to employers' agents, not just direct employees.

Key Risks for Employers

- › Knowingly confiscating or retaining a worker's ID without lawful authority is a Class 2 misdemeanor, with increased penalties for bias-motivated conduct.
- › Workers may seek immediate return of their ID and pursue civil damages.
- › Using identification documents to threaten or intimidate workers, including immigration-related threats, can result in more serious penalties.

Source References

- › [CO HB1283 - Protections Regarding Seizures of Identification Documents](#)

State Legal Update

Connecticut Expands Pay Transparency and Workplace Rules

On May 11, 2026, Connecticut enacted Public Act 26-12 (House Bill 5003), a comprehensive employment law that makes significant changes to pay transparency, certain employment agreements, and workplace compliance requirements.

The law affects multiple areas of the employment relationship, including hiring, compensation communication, employee accommodations, and contractor oversight.

This update applies to Connecticut employers, with most provisions taking effect on October 1, 2026, and some requirements becoming effective later.

Overview

Connecticut enacted a broad omnibus employment law affecting multiple Human Resources (HR) and operational areas. The changes span recruiting, payroll, and employment practices, requiring coordinated updates across HR, payroll, and talent-acquisition functions.

Recruiting and Pay Transparency

- › The law requires wage ranges and a general description of benefits to be included in all internal and external job postings.
- › Disclosure obligations apply earlier in the hiring process, including upon request or before compensation discussions when no posting exists.
- › Coverage extends to Connecticut roles and certain out-of-state positions tied to a Connecticut-based supervisor, office, or worksite.

Employment Agreements

- › The law broadly prohibits “stay or pay” or employment promissory note arrangements tied to continued employment.
- › Many training-repayment, onboarding reimbursement, or certification-cost provisions will be unenforceable unless a narrow exception applies.
- › Existing agreements may be affected if repayment provisions operate as penalties for early separation.

Payroll and Pay Communication

- › Employers with 100 or more employees are subject to new pay-code transparency requirements.
- › The law introduces new pay-code transparency requirements for covered employers, including written guides explaining overtime codes and wage differentials and multilingual availability requirements.

What Employers Need to Do

- › Update recruiting and job-posting workflows to include wage ranges and benefits, and ensure disclosures occur at the correct stage of the hiring process
- › Audit employment agreements, especially training-repayment or “stay or pay” provisions, and revise or remove noncompliant terms
- › Prepare payroll transparency materials, including multilingual pay-code guides and clear explanations of wage differentials (for 100+ employees)
- › Revise accommodation and lactation practices, including policies, notices, and manager training
- › Review contractor and subcontractor arrangements, particularly for service contracts and construction projects subject to new liability rules

Key Risks for Employers

- › Failing to include required wage ranges and benefits in job postings, increasing recruiting-related exposure
- › Maintaining unenforceable training-repayment or “stay or pay” agreements
- › Missing new pay transparency obligations, especially multilingual pay-code requirements for large employers
- › Not updating accommodation and lactation policies, leading to compliance gaps
- › Increased wage liability in contractor relationships, particularly in construction and service contracts

State Legal Update

- › Employers should be accessible to employees, either through an internal system or compliant written format.

Accommodations and Workplace Rights

- › The law strengthens lactation accommodation requirements, including break time beyond regular breaks and appropriate facilities.
- › The law introduces new written-notice requirements regarding employee accommodation rights, for both new hires and existing employees.
- › These changes affect employer policies, workplace notices, and manager training practices.

Contractor and Industry-Specific Rules

- › The law requires certain service-contract workers to be retained for at least 90 days when a contract changes hands.
- › Beginning January 1, 2027, general contractors may face joint liability for subcontractor wage violations in construction.
- › Additional industry-specific provisions affect sectors such as construction, healthcare, and cannabis operations.

Why This Matters

This law is not a single compliance change; it reshapes multiple HR and operational areas at once, including hiring, pay transparency, employee agreements, payroll communication, and contractor oversight.

For employers, the primary impact is operational: HR, payroll, and recruiting processes will require coordinated updates, particularly where employees work outside Connecticut but report into the state.

Additional Information

While most provisions take effect on October 1, 2026, some obligations begin later, including January 1, 2027 for contractor liability rules. Employers should plan updates well in advance due to the law's broad scope.

Source References

- › [Connecticut HB 5003 - An Act Concerning Workforce Development And Working Conditions In The State](#)
- › [Connecticut Governor - Press Release](#)

State Legal Update

Illinois Requires New NICU Leave for Employees

Illinois enacted the Family Neonatal Intensive Care Leave Act ([Public Act 104-0259](#)), creating a new category of unpaid, job-protected leave for employees whose child is in a neonatal intensive care unit (NICU).

The law introduces a separate leave entitlement with broad eligibility and specific employer obligations, including job protection and benefits continuation.

This update applies to employers with 16 or more employees company-wide that have at least one employee primarily working in Illinois, and the law took effect on June 1, 2026.

Overview

Illinois created a new, standalone leave law that provides unpaid, job-protected leave for NICU-related absences, introducing wider eligibility alongside strict employer requirements, especially around job protection and benefits continuation.

Coverage and Leave Entitlement

- › Employers with 16–50 employees must provide up to 10 days of NICU leave, while those with 51 or more employees must provide up to 20 days.
- › Leave is capped at the lesser of the statutory maximum or the length of the NICU stay.
- › Employers with 15 or fewer employees are not covered by the law.

Broad Employee Eligibility

- › Eligibility is not tied to tenure or hours worked, making it broader than the Family and Medical Leave Act (FMLA).
- › Both full-time and part-time employees may qualify immediately.
- › The law covers a broad definition of “child,” including non-traditional family relationships.

Leave Usage and Flexibility

- › Employees may take leave continuously or intermittently, depending on their needs.
- › Employers may require leave to be taken in minimum increments of at least two (2) hours.
- › The law is designed to accommodate unpredictable NICU schedules and short-duration absences.

Interaction with FMLA and Paid Leave

- › NICU leave is in addition to FMLA, and FMLA-eligible employees must use FMLA first.
- › Employers cannot require employees to use paid leave instead of NICU leave.

What Employers Need to Do

- › Confirm Illinois headcount and coverage to determine whether the employer must provide 10 or 20 days of NICU leave under the law.
- › Update leave policies and handbooks to include NICU leave and clearly explain how it interacts with the Family and Medical Leave Act (FMLA) and any paid leave policies.
- › Train HR, managers, and leave administrators on employee eligibility, sequencing NICU leave after FMLA where applicable, and the law’s anti-retaliation protections.
- › Implement a consistent verification process that requests only limited confirmation of the NICU stay and duration, without seeking broader medical details.
- › Align benefits and reinstatement procedures to ensure health coverage continues during leave, and employees are restored to the same or an equivalent position afterward.

Key Risks for Employers

- › Misapplying FMLA-style eligibility rules and denying NICU leave to newly hired or part-time employees who may still qualify under the Illinois law.
- › Forcing employees to use paid leave instead of unpaid NICU leave, even though the law prohibits requiring that substitution.
- › Failing to properly sequence NICU leave after FMLA for employees who are eligible for both, creating compliance gaps in leave administration.
- › Requesting overbroad medical documentation, which may increase legal exposure if the request goes beyond reasonable verification of the NICU stay.
- › Inconsistent handling of leave requests, increasing the risk of retaliation or interference claims under the new law.

Source References

- › [Illinois HB 2978 - AN ACT concerning employment \(Public Act 104-0259\)](#)

State Legal Update

- › Employees may voluntarily substitute paid leave if they choose.

Employer Obligations and Protections

- › Employers must reinstate employees to the same or a substantially equivalent position after leave.
- › Employers must maintain health insurance coverage during the leave period.
- › Employers are prohibited from retaliation or interference with NICU leave rights.

Why This Matters

This law matters because it creates a new, standalone leave obligation that operates alongside FMLA and applies to a broader group of employees, including new hires and part-time workers.

For employers, the key impact is operational: leave administration, eligibility determinations, and coordination with existing policies must be updated to account for overlapping but distinct leave entitlements.

Additional Information

Employers may request reasonable verification of the NICU stay but should limit requests to confirming the fact and duration of hospitalization, avoiding broader medical inquiries.

Violations may result in enforcement by the Illinois Department of Labor, including civil penalties of up to \$5,000 per affected employee, as well as potential complaints or civil actions.

IDOL can investigate and impose civil penalties up to \$5,000 per violation (per affected employee), and employers may be ordered to pay unpaid wages and damages as appropriate. Courts can also award injunctive relief to enforce the Act. These provisions underscore the need for strict compliance to avoid liability.

Resources

- › [Illinois - Family Neonatal Intensive Care Leave Act \(NICU Leave\)](#)

State Legal Update

Louisiana Enacts Consumer Data Privacy Law (LDPA)

Louisiana enacted the Louisiana Data Privacy Act (SB 386), establishing requirements for how businesses collect and use consumer personal data.

The law outlines consumer rights, business obligations, and enforcement by the state.

This update applies to businesses meeting certain size or data processing thresholds conduct business in Louisiana, and the law takes effect on January 1, 2027.

Overview

Scope and Coverage

- › The law applies to businesses that conduct business in Louisiana and meet at least one threshold:
 - › Annual gross revenue over \$25 million
 - › Processing personal data of 75,000 or more consumers, households, or devices
 - › Deriving 50% or more of revenue from selling personal data
- › It applies to personal data collected for commercial purposes.
- › Enforcement authority is handled by the Louisiana Attorney General, with no private right of action.

Consumer Scope (Not Workplace-Focused)

- › A “consumer” is a Louisiana resident acting in a personal or household capacity.
- › The law does not apply to individuals acting as employees, job applicants, or contractors.

Consumer Rights

- › Consumers may access, correct, delete, and obtain a portable copy of their personal data.
- › Consumers may opt out of:
 - › Targeted advertising
 - › Sale of personal data
 - › Certain profiling activities with significant effects
- › Controllers must provide a process to respond to requests within 45 days, with one possible 45-day extension.

Controller Obligations

- › Controllers must follow data minimization and purpose limitation principles.

What Employers Need to Do

- › Determine whether the business meets applicability thresholds, including annual gross revenue over \$25 million, processing personal data of 75,000 or more consumers, or deriving 50% or more of revenue from selling personal data.
- › Identify consumer-facing data practices, including data collection through websites, apps, or marketing activities, even if the business primarily views itself as an employer rather than a consumer-facing operation.
- › Develop or update privacy notices and disclosures to meet statutory requirements, ensuring they clearly describe the categories of data collected, the purposes of processing, and how consumers can exercise their rights.
- › Implement processes for consumer rights requests, including access, deletion, and opt-out, with the ability to respond within 45 days and manage a possible 45-day extension.
- › Assess high-risk processing activities, including targeted advertising and sensitive data use, and determine whether data protection assessments are required under the law.

Key Risks for Employers

- › Assuming the law does not apply because HR and employment data are excluded, while overlooking consumer-facing data activities such as customer accounts, website tracking, or marketing databases.
- › Failing to implement consumer rights request processes within the required timelines, including the 45-day response window and the appeals process.
- › Processing sensitive data — such as racial or ethnic origin, health data, biometric identifiers, or precise geolocation — without obtaining valid consumer consent.
- › Providing privacy notices that are unclear, incomplete, or that do not reflect the specific categories and purposes required by the statute.

State Legal Update

- › Businesses must implement reasonable security measures and provide clear privacy notices.
- › Controllers must establish processes for handling consumer requests and appeals.

Sensitive Data and High-Risk Processing

- › Processing sensitive data requires consumer consent.
- › Sensitive data includes items such as:
 - › racial or ethnic origin, religion, or health data
 - › genetic or biometric identifiers
 - › citizenship or immigration status
 - › precise geolocation data
- › Controllers must conduct data protection assessments for high-risk processing activities.

Why This Matters

This law is aimed primarily at consumer data and not most workplace data. It excludes employees, job applicants and contractors.

However, it is still important for employers that operate consumer-facing businesses. The law may apply to customer, website, or marketing data, requiring new practices for transparency, data handling, and consumer rights management.

Additional Information

The law includes a temporary 30-day cure period from January 1, 2027, through July 31, 2027. During this time, businesses can address alleged violations before enforcement proceeds.

After that period, enforcement may proceed without a mandatory cure opportunity, increasing potential compliance risk.

- › Overlooking data protection assessment requirements for high-risk processing activities, which could increase enforcement exposure once the 30-day cure period ends on July 31, 2027.

Source References

- › [Louisiana SB 386 - IDENTITY DATA: Provides for opting out of providing personal information on social media websites. \(1/1/27\)](#)

State Legal Update

New Jersey Finalizes ABC Test Worker Classification Rules

On May 5, 2026, the New Jersey Department of Labor and Workforce Development (NJDOL) adopted final regulations at N.J.A.C. 12:11 (the state's worker classification rules) explaining how the state applies the ABC test for independent contractor classification.

The rules do not create a new classification test. Instead, they formalize NJDOL's interpretation and application of New Jersey's existing ABC test across several labor laws, including the Unemployment Compensation Law, Wage and Hour Law, and Wage Payment Law.

This update applies to New Jersey employers using independent contractors, and the rules become operative on October 1, 2026.

Overview

New Jersey adopted final ABC test regulations to provide more detailed guidance on worker classification, while maintaining the state's existing employee-friendly standard in place.

A worker is still presumed to be an employee unless the employer proves all three prongs of the ABC test. If the employer fails any one prong, the worker is treated as an employee under the covered laws.

Prong A: Freedom From Control

- › Under Prong A, the employer must show the worker is free from control or direction, both in the contract and in actual practice.
- › The final rules point to factors such as set hours, training, pay-setting, personal service requirements, and restrictions on outside work as possible indicators of control.
- › The final version also clarifies that compliance with legal obligations, by itself, does not establish control under Prong A.

Prong B: Usual Course or Places of Business

- › Under Prong B, the employer must show the work is outside the usual course of the business or outside all the employer's places of business.
- › One of the most helpful clarifications for employers is that a worker's personal residence, where remote work is performed, will not typically be treated as the employer's place of business.
- › NJDOL also removed several proposed industry-specific examples from the final rule after receiving public comments.

What Employers Need to Do

- › Review independent contractor relationships now and test them against all three parts of the ABC test.
- › Focus on actual operations, not just contracts, including scheduling, pay-setting, training, availability requirements, and restrictions on outside work.
- › Reevaluate remote-work contractor models carefully, because the home-office clarification may help under Prong B, but employers still must satisfy Prongs A and C.
- › Do not rely on formalities such as 1099 treatment, business registration, insurance, or an independent contractor agreement, as these factors alone are not sufficient.
- › Document facts showing real independence, especially for Prong C, such as outside customers, business investment, and the viability of the worker's separate business.

Key Risks for Employers

- › Relying on a written contractor agreement, 1099 treatment, or business registration alone instead of reviewing the facts of the relationship.
- › Failing Prong A because managers control scheduling, availability, training, pay-setting, or how the work is performed in practice.
- › Misjudging Prong B in remote or hybrid arrangements by assuming home-based work automatically satisfies the "outside the place of business" requirement.
- › Failing Prong C because the worker is not truly operating an independently established business with real outside customers, investment, and business continuity.

State Legal Update

Prong C: Independently Established Business

- › Under Prong C, the employer must show the worker is customarily engaged in an independently established trade, occupation, profession, or business.
- › The final rules focus on facts such as the strength and viability of the worker's business, outside customers, income sources, number of employees, and investment in tools, equipment, vehicles, or business infrastructure.
- › The rules also make clear that certain facts are not enough by themselves, such as forming an LLC, carrying insurance, holding a license, or simply being free to work for others.

Scope and Practical Reach

- › The rules apply under several New Jersey labor laws that NJDOL administers or enforces, including the Unemployment Compensation Law, Temporary Disability Benefits Law, Wage Payment Law, Wage and Hour Law, and Earned Sick Leave Law.
- › NJDOL says the rules synthesize decades of case law, including *East Bay Drywall, LLC v. Department of Labor and Carpet Remnant Warehouse, Inc. v. NJ Department of Labor*.
- › The Department also emphasized that it revised the proposed rules after receiving thousands of comments and removed draft provisions that created uncertainty.

Why This Matters

This gives employers more detail on how NJDOL will apply New Jersey's strict ABC test. It does not make contractor classification easier. The employer still bears the burden of proving all three prongs, and relationships that look acceptable on paper may still fail if the facts show too much control, work too closely tied to the business, or weak evidence of an independently established business.

Although the final rule is narrower than the proposal in some respects, New Jersey remains a worker-protective state, and the risk of misclassification remains high.

Additional Information

The final rules were softened from the proposal after NJDOL received extensive public comments, extended the comment period, and conducted a public hearing. NJDOL publicly stated that it removed draft provisions that had created uncertainty for businesses.

The most important practical takeaway remains the same: New Jersey did not change its ABC test, but it did give employers more detail on how the Department will enforce it starting October 1, 2026.

Source References

- › [New Jersey DOL - Press Release - NJDOL Adopts Clear Rules on Worker Classification to Protect Workers' Rights, Level the Playing Field for Businesses \(May 5, 2026\)](#)
- › [New Jersey ABC Test - Notice of Adoption](#)

State Legal Update

New Jersey Requires Payment to Undocumented Workers

On March 19, 2026, the New Jersey Supreme Court decided *Lopez v. Marmic LLC*, holding that employers must pay undocumented workers for work actually performed under New Jersey wage laws.

The Court rejected arguments that immigration status or informal housing arrangements relieve employers of their wage-payment obligations.

This update applies to New Jersey employers and reinforces existing obligations under the Wage Payment Law and Wage and Hour Law.

Overview

The New Jersey Supreme Court confirmed that state wage laws apply to undocumented workers for work already performed, regardless of immigration status.

The decision reinforces that employers must comply with minimum wage, overtime, and wage-payment requirements, regardless of immigration status. The ruling focuses on payment for work performed, not backpay for work that was never completed.

- › **Undocumented Status Is Not a Defense**
 - › Employers must pay wages required under the Wage Payment Law and Wage and Hour Law.
 - › Immigration status does not eliminate wage protections for work already performed.
 - › The Court rejected arguments that federal immigration law prevents payment of earned wages.
- › **Barter and Housing Arrangements**
 - › Employers cannot avoid wage obligations through informal or “barter” arrangements, such as housing in exchange for labor.
 - › Noncash compensation, such as lodging, may be considered when calculating amounts owed but not eliminate the obligation to pay wages.
 - › Nontraditional arrangements do not remove the relationship from wage-law coverage.
- › **Recordkeeping and Burden of Proof**
 - › Employers are required to maintain records of hours worked and wages paid.
 - › When records are missing or incomplete, courts may rely on the employee’s estimate of wages owed.
 - › Lack of documentation significantly weakens an employer’s ability to defend wage claims.

What Employers Need to Do

- › Ensure wages are paid for all work performed, regardless of an employee’s immigration status, so wage-payment practices comply with New Jersey law.
- › Review compensation arrangements carefully, including noncash or housing-based arrangements, to confirm they do not improperly replace or undercut required wage payments.
- › Maintain complete and accurate wage-and-hour records, including hours worked and wages paid, because recordkeeping remains a central compliance obligation.
- › Train managers and payroll teams on wage-payment duties, recordkeeping requirements, and the risks of relying on informal compensation practices.
- › Evaluate exposure where records are incomplete or compensation practices are informal, especially in situations where the employer may have difficulty proving what was paid or owed.

Key Risks for Employers

- › Liability for unpaid wages owed to undocumented workers, because immigration status does not remove wage protections for work already performed.
- › Increased exposure where employers use housing or other noncash compensation arrangements, particularly if those arrangements are treated as a substitute for required wage payments.
- › Higher risk of unfavorable outcomes where records are incomplete or missing, since poor recordkeeping can make wage claims much harder to defend.
- › Limited defenses in wage claims involving undocumented workers, especially where the employer argues that immigration status or informal arrangements excuse payment obligations.
- › Increased litigation risk where recordkeeping obligations are not met, particularly when missing records shift the burden against the employer.

State Legal Update

› Evidence and Litigation Considerations

- › Courts should treat evidence such as an invalid Social Security number with caution, due to the risk of prejudice.
- › Immigration status should not be used as a proxy to undermine wage claims.
- › The case was remanded for the calculation of damages, including possible credit for provided housing.

Why This Matters

This decision makes clear that employers cannot rely on immigration status or informal arrangements to avoid wage-payment obligations for work already performed.

The primary operational risk for employers is failing to maintain proper wage-and-hour records or using nonstandard compensation practices, which can significantly increase liability, particularly when records are incomplete.

Additional Information

The New Jersey Department of Labor states that worker protections apply regardless of immigration status, including the right to receive wages for all hours worked.

The Court also distinguished this case from federal precedent limiting backpay for work not performed, reinforcing that payment for work already completed remains required under state law.

Source References

- › [New Jersey Department of Labor & Workforce Development - Press Release \(March 23, 2026\)](#)
- › [New Jersey Supreme Court - Sergio Lopez v. Marmic LLC](#)

Resources

- › [New Jersey - Wage & Hour Compliance - NJ State Wage and Hour Laws and Regulations](#)

State Legal Update

Oklahoma Enacts Consumer Privacy Law Effective 2027

On March 20, 2026, Oklahoma enacted Senate Bill 546, commonly referred to as the Oklahoma Consumer Data Privacy Act (OCDPA), which creates new consumer privacy rights and compliance obligations for covered businesses.

This update applies to employers with consumer-facing operations, and to other businesses that do business in Oklahoma or target Oklahoma residents, and that meet the Oklahoma Consumer Data Privacy Act's coverage thresholds. The law takes effect January 1, 2027.

Overview

- › The OCDPA applies to controllers or processors that, during a calendar year, process the personal data of at least 100,000 Oklahoma consumers, or at least 25,000 Oklahoma consumers if more than 50 percent of gross revenue is derived from the sale of personal data.
- › “Consumer” means an Oklahoma resident acting in an individual or household context and does not include individuals acting in a commercial or employment context.
- › Common exemptions include state agencies and political subdivisions, Gramm-Leach-Bliley Act (GLBA)-regulated financial institutions and data, Health Insurance Portability and Accountability Act (HIPAA)-covered entities and business associates, nonprofits, institutions of higher education, and certain regulated data sets, including data subject to HIPAA, the Fair Credit Reporting Act (FCRA), the Driver's Privacy Protection Act (DPPA), and the Family Educational Rights and Privacy Act (FERPA).
- › Oklahoma consumers may request access, correction, deletion, portability, and opt out of targeted advertising, sale of personal data, and certain profiling with legal or similarly significant effects, and controllers must offer an appeal process for denied requests.
- › Sensitive data includes personal data revealing racial or ethnic origin, religious beliefs, mental or physical health diagnosis, sexual orientation, citizenship or immigration status, certain genetic or biometric data, known child data, and precise geolocation data, and controllers generally may not process such data without consumer consent.
- › Controllers must provide a clear privacy notice, limit collection to what is adequate, relevant, and reasonably necessary, maintain reasonable administrative, technical, and physical security, and avoid incompatible processing without consent.

What Employers Need to Do

- › Assess applicability by confirming whether the business meets the OCDPA's coverage thresholds and identifying what Oklahoma consumer data is in scope, excluding employee, applicant, and commercial-context data.
- › Build or update consumer-rights workflows for access, correction, deletion, portability, opt-outs, and appeals, including the 45-day response timeline and 60-day appeal timeline.
- › Update privacy notices and sensitive-data consent flows and confirm that sensitive-data processing is based on valid consent.
- › Prepare and document data protection assessments for targeted advertising, sale of personal data, certain profiling, sensitive-data processing, and other heightened-risk activities.
- › Review processor agreements and vendor-management practices to confirm contracts contain the terms required by the OCDPA.

Key Risks for Employers

- › Mis-scoping the law by assuming the OCDPA does not matter because employee data is excluded, even though consumer-facing operations may still trigger coverage.
- › Failing to operationalize consumer-request, appeal, notice, consent, and assessment processes before the effective date.
- › Processing sensitive data without compliant consent or without documentation supporting the business's approach to higher-risk processing.
- › Using vendor or processor agreements that do not contain the required statutory terms.
- › Relying too heavily on the cure period rather than using the lead time before January 1, 2027, to address systemic compliance gaps.

State Legal Update

- › Controllers also must conduct and document data protection assessments for targeted advertising, sale of personal data, certain profiling, sensitive-data processing, and other heightened-risk processing, and processors must operate under contracts containing required terms.
- › Before bringing an enforcement action, the Attorney General must provide written notice and a 30-day cure period, and civil penalties may reach \$7,500 per violation if the matter is not cured or if written cure assurances are breached.
- › The law is primarily consumer-focused and excludes individuals acting in employment and commercial contexts, which distinguishes it from California's privacy law, where employee and applicant data are now in scope.

Why This Matters

The OCDPA adds another state-specific privacy regime to the growing multistate compliance patchwork for businesses that collect or process Oklahoma consumer data.

Although the law excludes employment and commercial-context data, it still matters to employers and employer-affiliated businesses with consumer-facing operations because consumer data collected through products, services, websites, apps, or marketing activities may be covered.

Covered organizations may need to update their privacy governance, consumer-rights response processes, notices, consent mechanisms, assessments, and vendor contracts before the January 1, 2027, effective date.

Additional Information

The Oklahoma Attorney General has exclusive enforcement authority under the OCDPA, and the law does not create a private right of action.

The OCDPA also does not require controllers to honor universal opt-out mechanisms, which may simplify Oklahoma-specific compliance while creating another point of variation from some other state privacy laws.

Source References

- › [Oklahoma SB 546 - Data privacy; establishing consumer rights; appeal process; privacy notice; data protection assessments; penalties; liability. Effective date.](#)
- › [Oklahoma House - SB 546 Press Release \(March 23, 2026\)](#)

State Legal Update

Philadelphia Moves Toward Increased POWER Act Enforcement

On April 15, 2026, Philadelphia's Office of Worker Protections published proposed regulations implementing the Protect Our Workers, Enforce Rights (POWER) Act.

The regulations clarify enforcement procedures, employer obligations, and penalties, signaling a shift from a more passive phase to active enforcement.

This update applies to employers operating in Philadelphia and reflects a change in enforcement posture, not a new law.

Overview

Philadelphia is moving toward active enforcement of the POWER Act, with proposed regulations clarifying how the law will be applied. The regulations do not create new rights but establish investigation procedures, penalties, and enforcement mechanisms.

Background: The POWER Act

- › Philadelphia enacted the POWER Act in May 2025 as a broad worker-protection law.
- › The law expanded existing ordinances covering paid sick leave, wage theft, and domestic worker protections, while adding new enforcement and anti-retaliation frameworks.
- › It applies to all employers operating within Philadelphia and significantly increases compliance and enforcement risk.

Expanded Enforcement Authority

- › The Office of Worker Protections may initiate investigations without a formal complaint.
- › The agency may broaden investigations and compel records and testimony.
- › Employers should expect a shift toward proactive, audit-driven oversight rather than compliance-based enforcement.

Retaliation Framework

- › The law creates a rebuttable presumption of retaliation if adverse action occurs within 90 days of protected activity.
- › Employers must show a legitimate, non-retaliatory reason with strong supporting evidence.
- › Protected activity includes complaints, sick leave use, participation in investigations, and opposition to violations.

Penalties and Public Exposure

- › Civil penalties may reach up to \$2,000 per violation, along with potential liquidated damages.

What Employers Need to Do

- › Review wage, paid sick leave, and retaliation practices to ensure current policies and day-to-day operations align with Philadelphia's worker-protection requirements.
- › Maintain complete and consistent records for hours worked, sick leave accrual and use, and payroll practices for at least three years.
- › Train managers and HR personnel on retaliation risk, especially the 90-day presumption framework and the need for clear documentation supporting adverse actions.
- › Prepare for audits and investigations by ensuring records can be produced promptly and that internal teams are ready to respond to agency inquiries.
- › Confirm that required Philadelphia notices and postings are current and properly distributed to employees.

Key Risks for Employers

- › Proactive investigations without employee complaints, increasing exposure even when no worker has filed a formal complaint.
- › Retaliation claims within the 90-day presumption period, where employers may face a more difficult defense burden.
- › Financial and reputational exposure, including civil penalties, liquidated damages, and listing in the "Bad Actors Database."
- › Recordkeeping-related compliance failures, especially where records are incomplete, inconsistent, or unavailable during an investigation.
- › Operational consequences for repeat or serious violations, including possible license suspension or loss of City contracts.

Source References

- › [City of Philadelphia - Press Release \(April 15, 2026\)](#)
- › [City of Philadelphia - Proposed City Regulations](#)

State Legal Update

- › The City may maintain a public “Bad Actors Database” identifying noncompliant employers.
- › Repeated violations may result in loss of business licenses or City contracts.

Recordkeeping and Documentation

- › Employers must maintain records for at least three years, including hours worked and sick leave usage.
- › Missing or incomplete records may result in a presumption of noncompliance, shifting the burden to the employer.
- › Accurate, contemporaneous documentation is now a critical compliance defense.

Why This Matters

This development matters because it signals a transition from statutory compliance to active enforcement, with the City now equipped to proactively investigate and penalize violations.

For employers, the biggest impact is operational: policies, documentation, and day-to-day management decisions must align with Philadelphia’s worker-protection rules, especially given the heightened retaliation standards and audit risk.

Additional Information

The regulations were subject to a 30-day public review period, which has now closed. Final rules may be issued soon, and employers should use this time to assess compliance gaps and prepare for enforcement.

Employers should also expect increased audits, broader investigations, and heightened scrutiny across covered worker-protection laws.

Resources

- › [City of Philadelphia - POWER Act Page Resource](#)
- › [City of Philadelphia - Worker protection resources – English](#)

State Legal Update

Tennessee Revises Pay Timing for Commission Workers

On April 6, 2026, Tennessee enacted Senate Bill 2024 (Public Chapter 617), changing when certain privately employed workers paid on a piecework or commission basis must receive monthly wages and final pay.

The law keeps Tennessee's standard monthly pay and final pay rules in place for most employees, but creates different deadlines for workers paid on a piece-work or commission basis.

This update applies to covered Tennessee private employers, and the law takes effect on July 1, 2026, for wages and compensation earned on or after that date.

Overview

Tennessee amended Tenn. Code Ann. § 50-2-103 through Public Chapter 617 to establish different wage-payment deadlines for employees paid on a piece-work or commission basis.

Ongoing Payroll (active employees)

- › For employers that pay wages once a month, regular employees must still be paid no later than the fifth day of the following month.
- › For employees paid on a piece-work or commission basis, compensation earned during employment is due by the last day of the following month.

Final Pay

- › For most employees who resign or are discharged, Tennessee's existing final-pay rule remains the same: final wages are due by the next regular payday or within 21 days after separation, whichever occurs later.
- › For employees paid on a piece-work or commission basis, final compensation is due by the last day of the month following discharge or voluntary leaving.
- › The law keeps the existing rule that employers cannot avoid or waive final pay requirements.

Scope and What Did Not Change

- › The changes apply only to private employment.
- › The act applies prospectively only to wages and compensation earned on or after July 1, 2026.
- › The law does not change Tennessee's requirement that private employers pay wages at least monthly, and employers must still post notice of regular paydays.

What Employers Need to Do

- › Identify Tennessee workers paid on a piece-work or commission basis and determine whether their compensation systems are now subject to different payment deadlines.
- › Update offboarding and final-pay procedures so final compensation for covered piece-work and commission employees is paid by the last day of the month following separation.
- › Review payroll calendars and monthly close processes to ensure piece-work and commission compensation are paid by the last day of the following month when the employer pays monthly.
- › Review commission and piece-rate plans to clearly define when compensation is considered earned, since the deadlines apply to compensation already earned.

Key Risks for Employers

- › Applying Tennessee's standard monthly-pay deadline to piece-work or commission employees when their pay is actually due by the last day of the following month.
- › Failing to update final-pay practices for covered workers, especially where commissions or piece-rate amounts are still being calculated at separation.
- › Using compensation plans that do not clearly define when commissions or piece-rate compensation are earned, increasing wage-payment disputes.
- › Assuming the law changes Tennessee's wage-payment rules across the board, when in fact the amendments are targeted to private employees paid on a piece-work or commission basis.

Source References

- › [Tennessee SB 2024 - AN ACT to amend Tennessee Code Annotated, Title 50, Chapter 2, Part 1, relative to employee compensation \(Public Chapter No. 617\)](#)
- › [Tennessee HB 1958 - Companion Bill](#)

State Legal Update

Why This Matters

This creates a different payment timetable for a specific group of workers (employees paid on a piece-work or commission basis) without changing the ordinary deadlines for most other employees.

Employers using variable-pay arrangements should expect to review payroll timing and offboarding practices rather than assume Tennessee's standard monthly-pay rules still apply across all employees.

Another key consideration is that the law does not define "piece-work" or "commission basis," and it does not add a new method for resolving disputes over when commissions are earned. That means employers using commissions, piece-rate pay, or hybrid compensation plans should ensure their plan documents clearly state when compensation is earned and when it is payable.

Additional Information

The Tennessee Department of Labor and Workforce Development's Labor Standards Unit enforces the Wage Regulations Act, investigates wage complaints, and offers employer training classes on labor-law compliance.

Tennessee's general wage guidance continues to state that unused PTO, vacation, and other fringe benefits are payable at separation only if the employer's policy or labor agreement requires it; this legislation did not change that broader rule.

Resources

- › [Tennessee - Labor Standards Unit](#)
- › [Tennessee - Payday regulations, non-payment of wages, final paychecks](#)
- › [Tennessee - Workplace Regulations and Compliance](#)

State Legal Update

Tennessee Sets New Limits on Noncompete Agreements

On May 7, 2026, Tennessee enacted House Bill 1034 (Public Chapter 934), establishing a new statutory framework for noncompete agreements.

The law introduces a compensation threshold for employee noncompetes and creates presumptions on reasonable duration.

This update applies to Tennessee employers, and the law takes effect on July 1, 2026, for agreements entered into, renewed, or amended on or after that date.

Overview

Tennessee adopted its first comprehensive statutory framework for restrictive covenants, replacing a more flexible, case-by-case approach. The law introduces clear limits on when and how noncompetes can be used, while still allowing them in certain circumstances.

Compensation Threshold for Employees

- › Employers may not require or enforce noncompetes for employees earning less than \$70,000 in annual compensation.
- › Compensation includes wages, salary, commissions, and nondiscretionary bonuses.
- › Any noncompete that violates this rule is unenforceable.

Presumptions on Duration

- › For employees and independent contractors, two years or less is presumed reasonable, while longer periods are presumed unreasonable.
- › For certain commercial relationships, such as franchise or distribution arrangements, three years or less is presumed reasonable.
- › For sale-of-business agreements, five years (or the payment period, if longer) is presumed reasonable, with longer terms subject to challenge.

Rebuttable Standard and Enforcement

- › Duration limits are not strict caps, but presumptions that can be challenged or justified.
- › Longer restrictions place the burden on the employer to demonstrate a legitimate business justification.
- › Courts retain authority to modify overly broad agreements ("blue pencil") rather than voiding them entirely.

Other Restrictive Covenants Still Allowed

- › The law does not prohibit confidentiality or nondisclosure agreements (NDAs).

What Employers Need to Do

- › Review all restrictive covenant agreements, especially noncompetes, for compliance with new duration limits and rules.
- › Identify employees below the \$70,000 compensation threshold and remove or avoid noncompete requirements for those roles.
- › Reassess noncompete durations to align with the new presumptive limits or prepare to justify longer periods.
- › Shift emphasis to alternative protections, such as confidentiality and nonsolicitation agreements, where appropriate.
- › Update contract templates and onboarding practices for new or renewed agreements after July 1, 2026.

Key Risks for Employers

- › Using noncompetes for employees below the \$70,000 threshold, rendering agreements unenforceable.
- › Maintaining overly long noncompete durations without clear business justification.
- › Failing to update legacy templates, leading to noncompliant new agreements.
- › Over-reliance on noncompetes instead of alternative protections (NDAs, nonsolicits).
- › Risk of challenges where restrictions are challenged as unreasonable.

Source References

- › [Tennessee HB 1034 - AN ACT to amend Tennessee Code Annotated, Title 50; Title 63 and Title 68, relative to covenants not to compete.](#)
- › [Tennessee SB 995 - Companion Bill](#)

State Legal Update

- › Employers may still enforce customer and employee nonsolicitation agreements.
- › These tools remain key alternatives where noncompetes are restricted or unavailable.

Scope and Application

- › The law applies to agreements entered into, renewed, or amended on or after July 1, 2026.
- › It applies to employees, independent contractors, and certain business relationships.
- › Existing agreements entered before that date are generally not affected.

Why This Matters

This law changes how employers use noncompetes by replacing a flexible, case-by-case standard with a more structured and predictable framework.

For employers, this means noncompetes must be used more selectively, with greater attention to compensation levels, duration, and defensibility, while alternative protections like nonsolicitation agreements may become more important.

Additional Information

The law preserves Tennessee's "blue pencil" doctrine, allowing courts to modify restrictive covenants to make them enforceable rather than invalidating them entirely.

Employers should treat this as a shift toward more targeted and defensible restrictive covenant strategies, not a complete prohibition on noncompetes.

State Legal Update

Utah Authorizes Recovery Ready Workplace Program

Utah enacted Senate Bill 98 (2026), which authorizes the Department of Health and Human Services (DHHS), in consultation with the Department of Workforce Services (DWS), to establish a voluntary Recovery Ready Workplace certification program.

Participation is optional, and the law does not require employers to seek certification or adopt new workplace practices unless they choose to participate. If the program is implemented, the department must create an application process and certification criteria.

This update applies to employers with operations or employees in Utah and the law took effect on May 6, 2026.

Overview

Participation is optional and depends on:

- › Employer choice
- › State funding
- › Agency rulemaking

The Utah Department of Health and Human Services is authorized to:

- › Establish certification criteria
- › Create an employer application and approval process

Certification standards may include:

- › Employee education on substance use disorders
- › Workplace stigma reduction initiatives
- › Access to treatment and recovery resources
- › Policies supporting health, wellness, and work–life balance

The law allows certain state funds, if appropriate, to support program administration.

For purposes of the program “employer” includes organizations with one or more employees, regardless of size or industry.

Why This Matters

Utah has authorized a voluntary Recovery Ready Workplace certification framework, signaling state support for recovery-supportive workplace

Participation is voluntary. The program may still be relevant for organizations that want to align wellness, employee assistance, or recovery-support efforts with future state-recognized standards.

What Employers Need to Do

- › No immediate action is required for employers that choose not to participate. .
- › Monitor DHHS rulemaking and implementation steps for any certification standards, application procedures, or program guidance.
- › Review wellness, substance use, and employee assistance practices to determine whether existing programs align with possible recovery-supportive standards.
- › Consider whether workforce education, stigma-reduction efforts, and access to treatment or recovery resources could support participation if the certification program is launched.
- › Track future funding or administrative developments, because the statute contemplates program administration only if implemented by the department and supported through available resources.

Key Risks for Employers

- › No direct legal compliance risk for nonparticipation, because the statute does not require employers to seek certification.
- › Risk of misalignment if an employer promotes recovery-supportive practices but does not meet future state criteria.
- › Operational risk for participating employers if policies or practices do not match future DHHS certification standards once issued.
- › Risk of confusion if employers assume the program is fully operational before DHHS completes implementation steps.

Source References

- › [UT SB0098 - Substance Use Rehabilitation Amendments](#)

State Legal Update

Virginia Enacts Heat Illness Prevention Standards

On April 13, 2026, Governor Abigail Spanberger signed companion bills HB 1092 (Chapter 731) and SB 288 (Chapter 732), adding Virginia Code § 40.1-44.2 and directing the Safety and Health Codes Board to adopt heat illness prevention standards for both indoor and outdoor work by May 1, 2028.

The law does not establish specific temperature thresholds or prescriptive controls itself; it creates the framework and delegates the development of those requirements to the Board through rulemaking.

This update applies to employers subject to the Virginia Occupational Safety and Health (VOSH) Program, and the law takes effect July 1, 2026.

Overview

What the Law Requires

- › The Safety and Health Codes Board must adopt regulations establishing heat illness prevention standards for indoor and outdoor work.
- › Once adopted, the regulations must require employers to:
- › Provide water, shade or climate-controlled environments (when practicable), rest periods, acclimatization to working in heat, and effective training on heat illness prevention.
- › Implement heat and high-heat procedures when the temperature equals or exceeds thresholds set by the Board (specific thresholds will be determined during rulemaking).
- › Establish effective emergency response procedures.

Key Definitions

- › "Heat illness" is defined as a serious medical condition resulting from the body's inability to cope with a particular heat load, including heat cramps, heat rash, heat edema, heat exhaustion, heat syncope, rhabdomyolysis, and heat stroke.
- › "Worker" includes employees, independent contractors, and other laborers whose worksite conditions are controlled by an employer.

Exemptions

- › Emergency services — Heat exposure during emergency law enforcement, emergency medical services, firefighting, rescue and evacuation operations, emergency highway construction or maintenance, or emergency restoration of essential utilities (including electric and telecommunication utilities).
- › Short-duration exposure — Heat exposure lasting no longer than 15 consecutive minutes.

What Employers Need to Do

- › Begin assessing current heat illness prevention practices for both indoor and outdoor work environments to identify gaps before the Board's regulations are finalized.
- › Monitor the Board's rulemaking process, including advisory panel meetings, to stay informed on the temperature thresholds and specific employer obligations that will be set through regulation.
- › Ensure anti-retaliation protections are in place, because the law prohibits discharging or discriminating against workers who file safety or health complaints or exercise rights under the statute — and this protection takes effect with the law on July 1, 2026.
- › Review emergency response procedures for heat-related incidents and evaluate whether current protocols align with the types of protections the law contemplates, including water, shade, rest, acclimatization, and training.

Key Risks for Employers

- › **Treating this as a future-only concern:** Anti-retaliation protections take effect July 1, 2026, meaning employers face immediate compliance obligations even before the Board finalizes heat-specific regulations.
- › **Failing to engage in the rulemaking process:** Employers who do not monitor or participate in the advisory panel and rulemaking may be caught off guard by the final temperature thresholds and operational requirements.
- › **Underestimating scope:** The law covers both indoor and outdoor work and defines "worker" broadly to include employees, independent contractors, and other laborers whose worksite conditions are controlled by the employer.
- › **Overlooking the broad definition of heat illness:** The statute covers conditions ranging from heat rash and heat cramps to rhabdomyolysis and heat stroke, meaning employer obligations will not be limited to only the most severe outcomes.

State Legal Update

Anti-Retaliation and Enforcement

- › No employer may discharge or discriminate against a worker for filing a safety or health complaint or exercising rights under the statute. Workers who believe they have been retaliated against have 60 days to file a complaint with the Commissioner.
- › The law does not include a private right of action.
- › Enforcement will occur through the Board's authority.

Why This Matters

While the law does not impose immediate operational requirements beyond anti-retaliation protections, it sets a firm May 1, 2028, deadline for the Board to finalize regulations that will directly affect employer obligations.

Employers that operate in industries with significant heat exposure should begin preparing now rather than waiting for the final regulations.

Additional Information

Advisory Panel and Rulemaking Considerations: The Board must convene an advisory panel — at least half of whose members must be employee advocates, employee stakeholders, and stakeholders from the agriculture and business industries — to assist in developing the proposed regulations. In doing so, the Board is directed to consider Virginia's own 2021 Draft Heat Illness Prevention Standard, federal OSHA and NIOSH standards, ACGIH and ANSI guidelines, and heat standards from Maryland, Oregon, and California.

Open Question: Temperature Thresholds: One of the most significant open questions is what temperature thresholds will trigger initial and high-heat protections. The introduced version of HB 1092 referenced 80°F, but the final enrolled text delegates that decision entirely to the Board.

Source References

- › [Virginia SB 288 - Protection of employees; standards for heat illness prevention, report.](#)
- › [Virginia HB 1092 - Companion Bill](#)

State Legal Update

Virginia Ends Farmworker Minimum Wage Exemption in 2027

On April 8, 2026, Virginia enacted House Bill 20 (HB 20) as Chapter 357, amending Virginia Code § 40.1-28.9 in the Virginia Minimum Wage Act.

The law eliminates the exemption from Virginia's minimum wage requirements for people employed as farm laborers or farm employees.

This update applies to Virginia agricultural employers. The exemption will end on January 1, 2027.

Overview

- › Beginning on that date, Virginia agricultural employers that have relied on the current farm laborer / farm employee exemption should expect those workers to be covered under Virginia's state minimum wage law. This change significantly expands of state minimum wage coverage for agricultural employers.
- › This change aligns with Virginia's broader minimum wage increase under HB 1, including the scheduled rises to \$13.75 on January 1, 2027, and to \$15.00 on January 1, 2028.

Why This Matters

The farm laborer and farm employee exemption will end under state law on January 1, 2027.

Workers who were previously outside Virginia's state minimum wage requirements will need to be paid at least the applicable Virginia minimum wage beginning in 2027.

Employers should note that the law still references a separate exclusion for certain temporary foreign workers. Agricultural employers should review worker categories carefully rather than assume all agricultural-related exclusions are eliminated.

What Employers Need to Do

- › Identify Virginia workers currently treated as outside state minimum wage coverage because of the farm laborer or farm employee exemption and assess who may be brought into coverage on January 1, 2027.
- › Budget and plan for minimum wage compliance beginning in 2027 for farm laborers and farm employees who will no longer fall under the current exemption.
- › Review pay practices for agricultural workers carefully, especially where compensation methods or worker categories are complex.
- › Do not assume all agricultural worker exclusions are eliminated. The law continues to exclude certain temporary foreign workers governed by 20 C.F.R. Part 655.
- › Coordinate this update with Virginia's separate minimum wage schedule changes under HB 1, since the applicable state minimum wage rate in 2027 will be higher than the current 2026 rate.

Key Risks for Employers

- › Assuming the current farm laborer / farm employee exemption continues beyond January 1, 2027.
- › Failing to prepare for the interaction between HB 20 and Virginia's scheduled minimum wage increases under HB 1.
- › Overlooking the separate exclusion for certain temporary foreign workers, which remains important under the law.
- › Treating all agricultural workers the same without reviewing whether their category, pay structure, or visa status affects coverage under the amended statute.

Source References

- › [Virginia HB 20 - Minimum wage; farm laborers or farm employees - \(Chapter 357\)](#)
- › [Virginia SB 121 - Companion Bill](#)

State Legal Update

Virginia Expands Pay Transparency and Salary History Ban

On April 22, 2026, Virginia enacted Senate Bill 215 (SB 215), establishing new requirements for salary history restrictions and pay transparency in hiring.

The law prohibits employers from seeking or relying on a candidate's prior compensation and requires disclosure of wage or salary ranges in job postings.

The requirements apply to employers with roles performed in Virginia or reporting to a Virginia location. This update applies to Virginia employers, and the law takes effect on July 1, 2026.

Overview

Virginia enacted a new pay transparency and salary history restriction law. The law shifts compensation practices toward defined, role-based pay ranges and away from individual salary history.

Salary History Restrictions

- › Employers may not ask for or seek salary history from applicants.
- › Employers may not rely on salary history when making hiring or compensation decisions.
- › A limited exception applies if a candidate voluntarily discloses salary history, which may only be used to support a higher offer.

Pay Transparency Requirements

- › Employers must include a wage or salary range in all public and internal job postings.
- › The requirement applies to hiring, promotions, transfers, and other employment opportunities.
- › Ranges must be set in good faith, using objective factors such as pay scales, comparable roles, or budget.

“Good Faith” Pay Range Standard

- › Pay ranges must reflect a realistic minimum and maximum compensation range.
- › Employers may rely on factors such as existing pay scales, prior ranges, or current employee pay.
- › Overly broad or artificial ranges may be challenged as not meeting the good-faith requirement.

Anti-Retaliation Protections

- › Employers may not retaliate against individuals for refusing to provide salary history.
- › Employers may not retaliate for requesting compensation information.

What Employers Need to Do

- › Remove salary history questions and practices from applications, interviews, recruiter workflows, and other hiring processes to avoid direct or indirect reliance on prior compensation.
- › Develop and document good-faith pay ranges for all roles, including internal opportunities, using objective compensation factors and internal pay practices.
- › Update all job postings, both external and internal, to include the required wage or salary ranges and ensure posting templates are consistent across the organization.
- › Train HR, recruiters, and hiring managers on permissible compensation discussions, salary history restrictions, and the law's anti-retaliation protections.
- › Implement review and audit processes to ensure consistency across postings and hiring decisions and to support the employer's ability to defend pay-range determinations.

Key Risks for Employers

- › Liability for asking about or informally relying on salary history during hiring, even where those practices occur through recruiter conversations or inconsistent workflows.
- › Increased litigation exposure due to the private right of action and the availability of statutory damages and other remedies.
- › Difficulty defining and defending good-faith pay ranges, especially where posted ranges are too broad or not supported by objective compensation factors.
- › Systemic compliance failures caused by inconsistent job posting practices, outdated templates, or uneven internal hiring procedures.
- › Retaliation claims tied to compensation discussions or candidate inquiries, particularly where applicants or employees request pay range information or refuse to provide salary history.

State Legal Update

- › Prohibited actions include refusal to hire, promote, or interview, or other adverse treatment.

Enforcement and Liability

- › The law creates a private right of action, allowing individuals to bring claims within one year.
- › Employers may face statutory damages (\$1,000–\$10,000), attorney’s fees, and other relief.
- › A limited 15-business-day cure period applies to certain job-posting violations, but not to salary history or retaliation violations.

Why This Matters

This law significantly changes how employers approach compensation by shifting from candidate-driven pay (based on prior salary) to role-based pay (based on defined ranges).

For employers, the main impact is operational: hiring processes, compensation structures, and job postings need to be aligned and consistently documented to support good-faith pay ranges and defensible compensation decisions.

Additional Information

While the law allows limited reliance on voluntarily disclosed salary history, that use is restricted to supporting a higher offer and must still comply with equal pay laws.

This is more than a “don’t ask” rule—it also requires proactive pay transparency and more structured compensation practices.

Source References

- › [Virginia SB 215 - Prospective employer; prohibited from seeking wage or salary history of prospective employees](#)

State Legal Update

Virginia Minimum Wage Increases Through 2028

On April 8, 2026, Virginia enacted House Bill 1 (HB 1) as Chapter 350, amending Virginia Code § 40.1-28.10 to reset the state's minimum wage schedule.

The law codifies Virginia's \$12.77 hourly minimum wage effective January 1, 2026, increases the rate to \$13.75 effective January 1, 2027, raises it again to \$15.00 effective January 1, 2028, and requires annual Consumer Price Index (CPI)-based adjustments beginning January 1, 2029.

This update applies to Virginia employers covered by the state minimum wage law, and the act's general effective date is July 1, 2026.

Overview

Virginia amended § 40.1-28.10 of the Code of Virginia to establish a new minimum wage schedule for 2026 through 2028 and a CPI-based annual adjustment model beginning in 2029. The law increases the minimum wage incrementally to \$15.00 per hour by January 1, 2028, and then moves to annual inflation-based adjustments.

Minimum Wage Schedule

- › Virginia's minimum wage is \$12.77 per hour from January 1, 2026, until January 1, 2027, unless the federal minimum wage is higher.
- › The minimum wage increases to \$13.75 per hour from January 1, 2027, until January 1, 2028, unless the federal minimum wage is higher.
- › The minimum wage increases again to \$15.00 per hour from January 1, 2028, until January 1, 2029, unless the federal minimum wage is higher.

Inflation-Based Adjustments Beginning in 2029

- › Beginning January 1, 2029, employers must pay the greater of the adjusted state hourly minimum wage or the federal minimum wage.
- › By October 1, 2028, and annually thereafter, the Commissioner of Labor and Industry must set the adjusted state hourly minimum wage for the following 12-month period beginning January 1st.
- › The adjustment must be based on changes in the United States Average Consumer Price Index for all items, all urban consumers (CPI-U), and the annual adjustment cannot be less than zero.

What Employers Need to Do

- › Confirm current pay rates for Virginia employees and ensure payroll systems are ready for the next scheduled increase to \$13.75 on January 1, 2027.
- › Budget for the 2028 increase to \$15.00 per hour and plan for future annual adjustments beginning in 2029.
- › Monitor annual announcements from the Commissioner of Labor and Industry starting by October 1, 2028, when the adjusted state hourly minimum wage will be set for the following January 1st.
- › Review multi-state payroll and wage notices to ensure Virginia rates are not overlooked where federal minimum wage remains lower.
- › Update compensation planning and internal guidance to reflect that Virginia's future minimum wage will no longer remain fixed in statute after 2028.

Key Risks for Employers

- › Failing to prepare for the next scheduled increase to \$13.75 on January 1, 2027. The current rate of \$12.77 has been in effect since January 1, 2026, and employers should already be adjusting payroll systems for the upcoming change.
- › Treating the \$15.00 rate in 2028 as permanent and overlooking annual CPI-based adjustments beginning in 2029. After 2028, the minimum wage will change annually based on CPI-U, and the adjustment cannot be less than zero.
- › Overlooking the "greater of" structure, which ties Virginia's minimum wage to the federal minimum wage if federal law becomes higher. This means employers cannot assume the Virginia rate will always control and should monitor federal minimum wage activity as well.
- › Failing to align budgeting and payroll administration with the Commissioner's future annual minimum wage announcements. The adjusted rate must be set by October 1 each year for the following January 1.

State Legal Update

“Greater Of” Structure

- › The law keeps Virginia tied to whichever is higher: the state minimum wage set by Virginia law or the federal minimum wage.
- › That means employers cannot assume the Virginia amount will always control if federal law changes in the future.
- › For 2026 through 2028, the law uses this “greater of” language at each step of the new schedule.

Why This Matters

HB 1 matters because it gives Virginia a defined multiyear minimum wage schedule through 2028 while also shifting to annual inflation-adjustments starting in 2029.

For employers, the biggest practical impact is planning. The next two scheduled increases are already set, but beginning in 2029, the minimum wage will no longer remain a fixed amount and will instead change annually based on CPI-U.

That means employers should not treat the 2028 rate as the endpoint. Payroll systems, budgeting, and wage-rate reviews will need to account for future yearly adjustments announced by the Commissioner.

Additional Information

The wage schedule begins with the January 1, 2026, rate of \$12.77 and then moves to the next increases on January 1, 2027, and January 1, 2028.

Source References

- › [Virginia HB1 - Minimum wage; increases incrementally to \\$15.00 per hour by January 1, 2028.](#)

State Legal Update

Washington Expands Immigrant Worker Protections

As a reminder for employers with workers in Washington, Washington enacted House Bill 2105, creating new immigrant worker protections related to federal employment eligibility inspections and other immigration-status-related workplace conduct.

The law adds new employer notice, posting, and anti-retaliation requirements, including obligations tied to the federal Form I-9 (Employment Eligibility Verification Form) inspections and inspection results.

The act takes effect on June 11, 2026, but the new employer notice, posting, anti-retaliation, and enforcement provisions begin on October 1, 2026.

Overview

- › Washington created a new section of state law establishing immigrant worker protections tied to federal employment eligibility inspections.
- › The law applies broadly to employers with one or more workers in Washington, including public and private employers, and protects workers regardless of immigration status.
- › The key employer-facing notice, posting, retaliation, and enforcement sections begin on October 1, 2026.
- › Within five business days of receiving a federal notice of inspection, employers must notify employees and any authorized representatives.
 - › Notices must include: the inspecting agency, inspection date, records requested, and a copy of the official notice.
- › If inspection results identify affected workers, employers must provide individualized notice of the results, deficiencies, applicable correction timelines, and available rights, using the worker's primary language of communication.
- › Employers must post the Attorney General's immigrant worker rights poster and may not retaliate against workers for exercising rights under the law.
- › The law also limits verification-related conduct. Employers are not required to conduct self-audits and may not impose verification or reverification requirements beyond federal law.

Why This Matters

Federal employment eligibility inspections often involve short response timelines, and this law adds Washington-specific communication duties that will require coordination among human resources, legal, and operations teams.

What Employers Need to Do

- › Review current procedures for responding to federal employment eligibility (Form I-9) inspections.
- › Prepare to provide workforce notices within five business days of receiving a federal notice of inspection, using the required content and languages.
- › Develop a process to issue individualized notices to affected workers within five business days of receiving inspection results.
- › Post the Washington Attorney General's immigrant worker rights poster in conspicuous workplace locations once issued.
- › Train managers and human resources staff on anti-retaliation requirements and prohibited conduct related to immigration status.
- › Review employment eligibility verification practices to ensure they do not exceed federal requirements.

Key Risks for Employers

- › Penalties of \$500 per worker, per violation may apply, increasing to \$1,000 per worker for willful violations.
- › Workers or their representatives may bring private civil actions seeking damages tied to noncompliance, along with attorneys' fees.
- › Retaliation, intimidation, or immigration-status-based threats may expose employers to enforcement by the Washington Attorney General.
- › Multi-state employers risk compliance failures if Washington-specific inspection notice and posting procedures are not clearly documented and followed.

Source References

- › [Washington HB 2105 - Immigrant Worker Protections](#)

State Legal Update

For employers, the biggest practical risk is that failure to provide timely and compliant notices can trigger state penalties and private litigation, even if the underlying federal inspection is separately resolved.

The law also raises day-to-day management risk because informal communications, threats, or actions tied to immigration status may now create stronger retaliation exposure under Washington law.

Additional Information

The Attorney General is expected to publish the official worker notice poster, model notices, and employer guidance before the October 1, 2026, employer-obligation date.

Employers should use the period before October 1, 2026, to prepare required postings, inspection-response communications, and manager training so they are ready once the operative employer obligations begin.

State Legal Update

Washington Finalizes Pay Transparency and Driver's License Rules

On April 21, 2026, the Washington State Department of Labor & Industries (L&I) adopted final rules updating the Equal Pay and Opportunities Act (EPOA).

The rules implement Substitute Senate Bill 5408 (SSB 5408) and Substitute Senate Bill 5501 (SSB 5501), clarifying pay transparency requirements and restricting when employers may require a driver's license.

The update also clarifies how the law will be enforced, including investigations, penalties, appeals, and collections, and took effect on May 22, 2026.

Overview

Washington finalized updated rules under the Equal Pay and Opportunities Act, effective May 22, 2026. The rules implement 2025 legislation and provide detailed guidance on pay transparency and hiring requirements.

They also provide more detailed guidance on enforcement, investigations, and penalties.

Pay Transparency Requirements

- › Employers must include in job postings:
 - › A wage scale or salary range, or a fixed wage amount if no range exists.
 - › A general description of benefits and other compensation.
- › The disclosed range must reflect the employer's genuinely expected compensation at the time of posting.
- › The requirements apply to employers with 15 or more employees, including those outside Washington with Washington-based job postings or employees.

Internal Posting and Disclosure Rules

- › Employers must provide wage or salary information for internal transfers and promotions upon request.
- › The rules clarify definitions of "applicant" and "posting", including postings made through third-party recruiters.
- › Digital postings are covered, except where content is replicated without employer consent.

Driver's License Restrictions

- › Employers may not require a valid driver's license as a condition of employment.
- › Employers may not state in job postings that a driver's license is required unless driving is an essential job function or tied to a legitimate business purpose.
- › The rules define essential job functions as core duties that cannot be reassigned without fundamentally changing the role.

What Employers Need to Do

- › Review job postings to ensure wage ranges or fixed compensation amounts and benefits descriptions are included. The disclosed range must reflect the employer's genuinely expected compensation at the time of posting.
- › Confirm driver's license requirements are limited to roles where driving is an essential function or a legitimate business necessity. Employers may not state in a job posting that a driver's license is required unless the role meets one of those conditions.
- › Update internal processes for pay disclosures, including for promotions and internal transfers. The rules require employers to provide wage or salary information to current employees who are internally transferred or promoted, upon request.
- › Maintain wage and compensation records needed to support compliance and defend potential claims. Incomplete records may limit an employer's ability to respond to investigations or challenge penalty determinations.
- › Prepare for enforcement, including responding to complaints, investigations, and potential penalties. Violations may result in actual damages, statutory damages up to \$5,000 per violation, civil penalties, and attorney's fees.

Key Risks for Employers

- › Noncompliant job postings lacking wage ranges, fixed pay, or benefits descriptions.
- › Improper use of driver's license requirements in hiring.
- › Exposure to monetary penalties per applicant or employee affected.
- › Increased exposure due to clearer enforcement and investigation procedures.
- › Weak documentation or records that limit the ability to defend claims.

State Legal Update

Enforcement and Penalties

- › L&I may investigate complaints and attempt conference and conciliation before issuing penalties.
- › Violations may result in:
 - › Actual damages and statutory damages (equal to actual damages or \$5,000, whichever is greater).
 - › Civil penalties (up to \$500 for first violations and \$1,000 or more for repeat violations)
 - › Payment of interest, costs, and other remedies, including reinstatement.
- › For pay transparency violations, damages may range from \$100 to \$5,000 per violation per affected individual.

Appeals and Collections

- › Employers may appeal determinations within 30 days.
- › Prevailing employees may recover costs and attorney's fees.
- › L&I may initiate collection procedures for unpaid penalties or damages.

Why This Matters

These rules move Washington's pay transparency and hiring requirements from general statutory obligations to detailed, enforceable compliance standards.

For employers, the biggest impact is operational: job postings, hiring criteria, compensation disclosures, and recordkeeping must now align with specific regulatory expectations, and enforcement risk is higher due to clearer investigation and penalty processes.

Additional Information

The final rules clarify that violations may occur not only when a policy is adopted, but also when an individual is affected by a noncompliant practice or receives compensation tied to that practice, expanding potential exposure.

The rules were adopted without major changes from the proposal, meaning enforcement expectations are now clear.

Source References

- › [Washington L&I - Equal Pay & Opportunities Protections and Guidelines \(SSB 5408 and SSB 5501 Implementation\) - Chapter 296-123 WAC, Equal pay and opportunities](#)
- › [Washington New Law Limits Use of Driver's License in Hiring Practices \(VensureHR\)](#)
- › [Washington Provides Flexibility to Fix Mistakes Regarding Pay Transparency Posters \(VensureHR\)](#)

State Legal Update

Washington PFML Rulemaking Begins on Employer Payments

On April 28, 2026, Washington's Employment Security Department (ESD) filed a CR 101 preproposal notice to begin rulemaking for the Paid Family and Medical Leave (PFML) program.

The agency is exploring potential rules related to employer reporting and payments, penalties and interest, and benefit overpayments.

This update applies to Washington PFML-covered employers, and no draft or proposed rules have been issued yet.

Overview

- › The April 2026 filing is a CR 101, the earliest step in Washington's rulemaking process.
- › It signals that ESD is considering changes, but no rule text has been drafted yet.
- › The main focus areas are:
 - › employer reporting and premium payments
 - › penalties and interest for late or incorrect filings
 - › benefit overpayments and recovery processes
- › If ESD proceeds, the next step would be a CR 102, which would include actual draft rule text and hearing details.

Why This Matters

This matters because the rulemaking signals that ESD may clarify and potentially tighten PFML administration, particularly around employer payments and program integrity.

Even without draft rules, employers should expect future changes affecting reporting, penalties, and overpayment handling, especially in an already evolving 2026 PFML compliance environment.

What Employers Need to Do

- › Monitor the PFML rulemaking process for future draft rules and stakeholder meetings.
- › Review current reporting and payment practices to identify potential risk areas (late filings, errors).
- › Assess internal processes for handling PFML overpayments or corrections, even before rules are finalized.
- › Consider participating early as feedback at the CR 101 stage can influence rule development.

Key Risks for Employers

- › Changes to late reporting or payment penalties that could increase compliance risk.
- › More defined or stricter rules on benefit overpayment recovery.
- › Overlapping rule changes alongside recent 2026 PFML updates, increasing complexity.

Source References

- › [Washington Paid Family & Medical Leave - Rulemaking CR-101](#)

Resources

- › [Employment Security Department - Our rulemaking process](#)

State Legal Update

West Virginia Authorizes Portable Benefits for Contractors

West Virginia enacted a new law authorizing voluntary portable benefit accounts for independent contractors. The law allows hiring parties to make voluntary contributions to portable benefit accounts for contractors without using those contributions alone to determine employee status under state law.

The law also addresses how qualifying contributions and distributions are treated for West Virginia tax purposes and authorizes state rulemaking.

This update applies to West Virginia businesses that use independent contractors, and the law takes effect on June 12, 2026.

Overview

- › Participation is optional for both the hiring party and the contractor. The law does not require employers to offer benefits to contractors.
- › The law creates a state-law safe harbor for classification, meaning these contributions alone cannot be used to determine employee status under West Virginia law.
- › Covered benefits may include retirement, health insurance, life insurance, and income replacement insurance, administered through a portable benefit structure.
- › The safe harbor applies only to state law. Federal worker-classification standards remain unchanged.
- › The law also provides related West Virginia tax treatment for qualifying contributions and receipts, subject to the terms of the statute.

Why This Matters

West Virginia now provides an optional way to support contractor benefits without those contributions alone creating employee status under state law.

For employers, the main impact is strategic rather than mandatory. Businesses may now have a new optional way to support contractor benefits, but they should not assume the law resolves broader misclassification issues or changes federal standards.

What Employers Need to Do

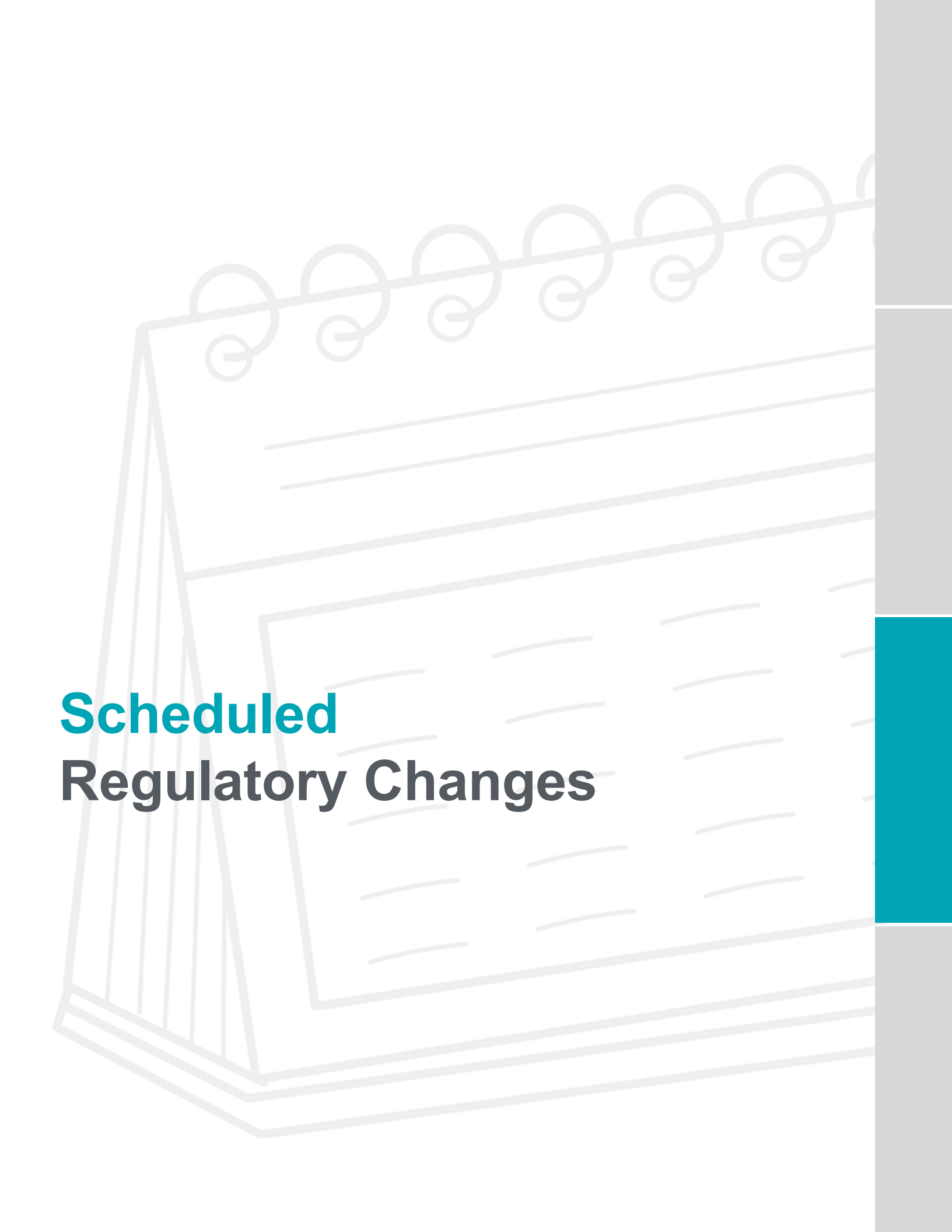
- › Determine whether to participate in a portable benefit arrangement. No action is required for businesses that choose not to participate.
- › Identify contractor relationships with a West Virginia connection to determine whether the new framework may be relevant.
- › If offering benefits, use clear written documentation describing the voluntary nature of the arrangement and the contractor's independent status under state law.
- › Coordinate payroll, accounts payable, and recordkeeping practices so voluntary contributions can be tracked accurately.
- › Review contractor agreements and onboarding materials if portable benefits will be offered, and coordinate with tax and legal advisors because federal classification standards are unchanged.

Key Risks for Employers

- › Misclassification risk remains if other facts support employee status, even if the employer contributes to a voluntary portable benefit account.
- › Assuming the state-law protection applies under federal law, when the statute does not change federal worker-classification standards.
- › Operational errors in documenting and administering contributions, especially if payroll, accounts payable, or contractor records are inconsistent.
- › Inconsistent contractor practices across states, because other jurisdictions may not recognize the same portable-benefit safe harbor.

Source References

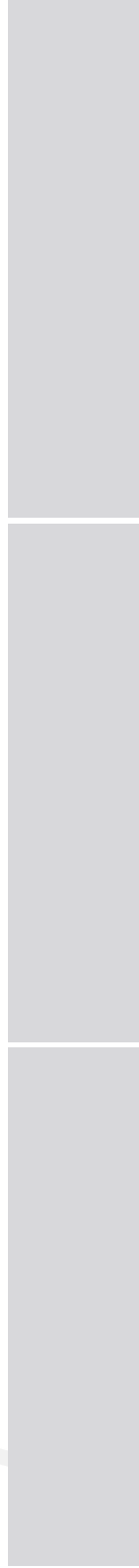
- › [WV HB4009 - Relating to the creation of the Portable Benefit Account Act](#)



Scheduled Regulatory Changes

Scheduled Regulatory Changes

State	Original Update Link	Effective Date
Federal	Treasury and IRS No Tax on Tips Rule Effective June 2026	June 12, 2026
Federal	Minimum Wage Updates for July 2026	July 1, 2026
New York	Maine Enacts Pay Transparency Law Effective 2026...	July 29, 2026
Washington	Washington Updates PFML Premium Allocation for June 2026	June 11, 2026



Posting Updates

June 2026

Posting Updates June 2026

Federal	Updated Posting
Federal	The federal Employee Rights on Government Contracts (SCA, Walsh-Healey) posting in English and Spanish has been updated with changes to its QR code and URLs.
Federal	The federal DOD Whistleblower posting has been updated with formatting changes and a new QR code.
Federal	The Federal Contractor Minimum Wage for Contracts Prior to 1/30/2022 posting has been updated with a new minimum wage rate. The Pay Transparency Nondiscrimination Provision posting has also been inactivated and removed from the Federal Contractor poster.
State	Updated Posting
Alaska	Alaska has revised its AKOSH “Safety and Health Protection on the Job” poster to reflect updated penalty amounts, revised complaint procedures, updated agency contact information, and formatting changes. Employers should replace outdated postings to ensure compliance with current Alaska OSHA requirements.
	Alaska has released several labor law posting updates affecting employers. The Alaska Minimum Wage Notice has been revised to reflect an upcoming increase from \$13.00 to \$14.00 per hour effective July 1, 2026. The Workers’ Compensation Notice has also been updated, shortening the employee reporting deadline for workplace injuries from 30 days to 15 days. Additionally, the Summary of Alaska Child Labor Law Notice has been updated with formatting and contact information changes. Employers should ensure all updated notices are posted to remain compliant.
Maine	The Maine Sexual Harassment Prevention notice, which is required for businesses with 15 or more employees, has been revised and reorganized to provide clearer guidance on employer training obligations. The updated notice more clearly outlines the required content of sexual harassment training, additional training requirements for supervisors and managers, and procedures for reporting complaints. It also emphasizes that employers must maintain records of sexual harassment training and employee attendance for at least three years. Additionally, the notice includes updated enforcement information and contact details for the Maine Bureau of Labor Standards.
Minnesota	Minnesota has updated its Workers' Compensation posting in English and Spanish with new content added to its "If you are injured" section.
	Minnesota has updated its Minimum Wage posting in English and Spanish with the addition of meal and rest break information as well as updates to the QR codes.
Nebraska	The Nebraska Minimum Wage notice has been updated to reflect significant wage law changes taking effect July 17, 2026. The revised notice introduces a new youth minimum wage of \$13.50 per hour for employees ages 14 and 15, as well as a new 90-day training wage for certain employees ages 16–19. It also adds future minimum wage rates through 2030, reflecting annual cost-of-living adjustments beginning January 1, 2027. Additionally, the notice simplifies exemption language by referencing the applicable statute rather than listing all exemptions in detail.

Posting Updates June 2026

State	Updated Posting
Oregon	Oregon has released an updated Paid Leave Notice. The most notable change adds guidance for unforeseeable leave, requiring employees to notify their employer within 24 hours and provide written notice within three days. The update also clarifies that employees must continue paying their portion of health insurance while on leave.
Vermont	Vermont has updated its Unemployment Insurance Notice with revised formatting, added a statutory reference, and expanded employee eligibility language to include protections related to sexual violence and stalking. The expanded language represents a meaningful update, and employers should replace the outdated notice to ensure compliance.
Vermont	Vermont has updated its Employers Liability and Workers' Compensation posting in English with changes to its contact information and Equal Opportunity is the Law statement. Vermont also added a new Meals and Lodging posting in English to its offering. Vermont also added a new Meals and Lodging posting in English to its offering. Vermont has also updated its Employers Liability and Workers' Compensation posting in Spanish by replacing it with a new version.
County	Updated Posting
Los Angeles County, CA	Los Angeles County has updated its Los Angeles County Unincorporated Minimum Wage posting in English and Spanish with a new minimum wage rate
King County, WA	King County has updated its King County Unincorporated Minimum Wage posting with an agency correction to the employer business size categories.

Posting Updates June 2026

City	Updated Poster
Los Angeles County, CA	Los Angeles has updated its Minimum Wage and Paid Sick Leave posting in English and Spanish with a new minimum wage rate.
Milpitas, CA	Milpitas has updated its Minimum Wage and Know Your Rights postings in English, Spanish, Chinese, and Vietnamese with a new minimum wage rate.
Santa Monica, CA	Santa Monica has updated its Minimum Wage posting in English and Spanish with a new minimum wage rate.
Berkeley, CA	Berkeley has updated its Berkeley Minimum Wage posting in English and Spanish with a new minimum wage rate.
Fremont, CA	Fremont has updated its Fremont Minimum Wage posting in English, Spanish, Chinese, Hindi, Tagalog, and Vietnamese with a new minimum wage rate.
Malibu, CA	Malibu has updated its Malibu Minimum Wage posting in English and Spanish with a new minimum wage rate.
Pasadena, CA	Pasadena has updated its Pasadena Minimum Wage posting in English and Spanish with a new minimum wage rate.
Santa Fe, NM	Santa Fe has updated its Santa Fe Minimum/Living Wage posting in English and Spanish with a new minimum wage rate.
New York City, NY	New York City has updated its New York City Paid Sick Leave posting in English and Spanish with formatting changes and updates.
Toledo, OH	Toledo has added a new Toledo Employee Rights posting in English and Spanish to its offering.
Philadelphia, PA	Philadelphia has updated its Philadelphia Employment Discrimination is Against the Law posting and Philadelphia Pregnancy Protection posting with formatting changes and language updates.