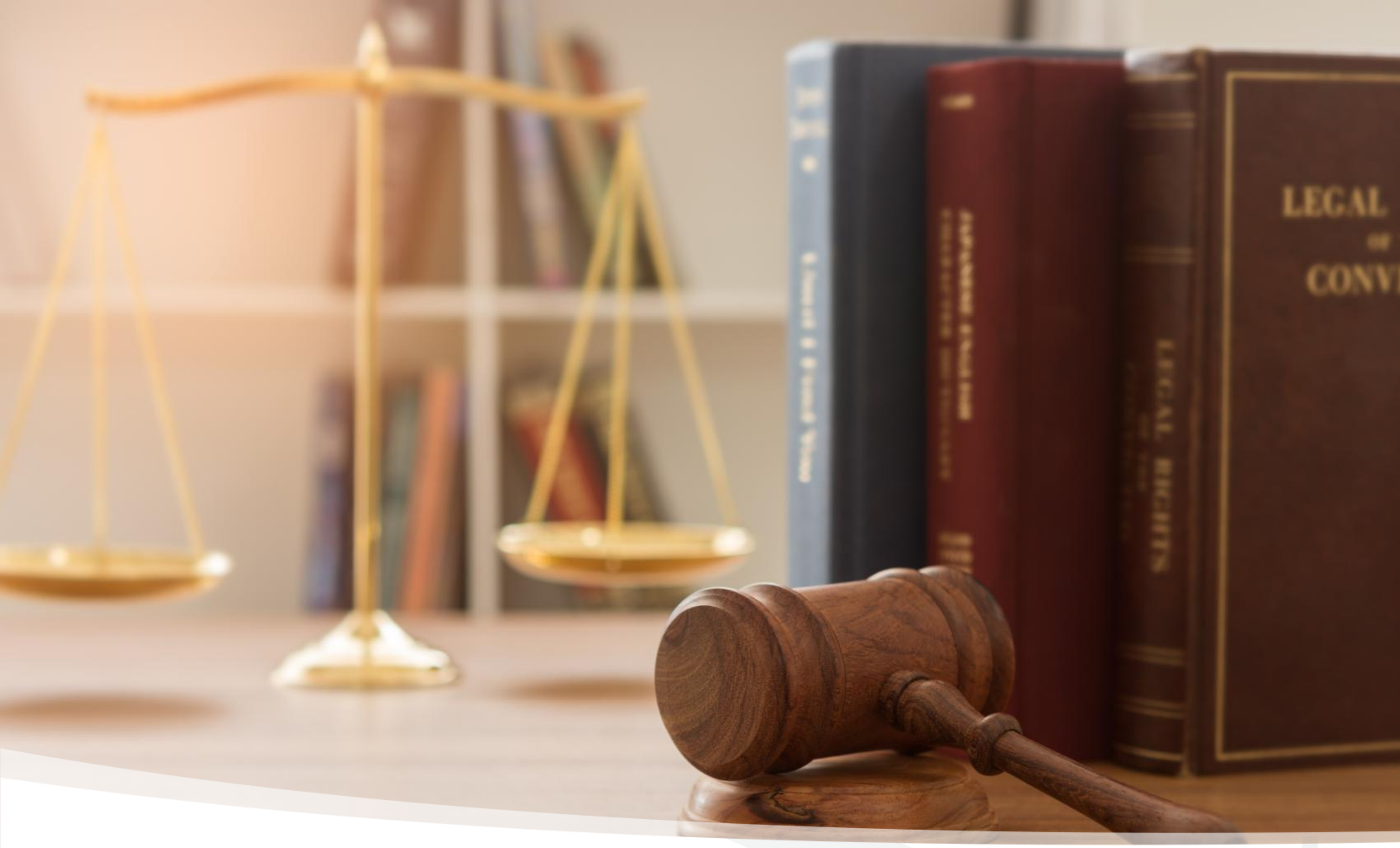

2026

HR COMPLIANCE
JULY LEGAL UPDATES

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

VensureHR

Table of Contents

Federal Legal Updates

Federal Legal Update

DOL Issues Four New FLSA Opinion Letters

On May 29, 2026, the United States Department of Labor (DOL) Wage and Hour Division (WHD) issued four new opinion letters interpreting how the Fair Labor Standards Act (FLSA) applies to common workplace situations involving exempt status, bonus calculations, meal periods, pre-shift work, and rounding practices.

The four letters (FLSA2026-5, FLSA2026-6, FLSA2026-7, and FLSA2026-8) provide official written interpretations on fact-specific scenarios employers regularly face and may support a good-faith reliance defense under the Portal-to-Portal Act when an employer's facts closely match the letters.

This update applies to employers subject to the FLSA and is effective as of the release date of May 29, 2026.

Overview

- **FLSA2026-5: Exempt Employees Performing Secondary Hourly Work**
  Exempt employees may perform secondary hourly work without losing exempt status, provided the primary duty remains exempt, and the salary-basis requirements continue to be satisfied.
- **FLSA2026-6: Bonus Based on Percentage of Total Earnings**
  A quarterly bonus based on each employee's share of total straight-time and overtime earnings may already include overtime due, avoiding a separate regular-rate recalculation.
- **FLSA2026-7: Meal Breaks and Walking Through Employer Premises**
  A 30-minute meal period may remain unpaid even when employees voluntarily walk through controlled access points, provided they are relieved from duty and may remain on-site.
- **FLSA2026-8: Pre-Shift Work, Waiting Time, and Rounding**
  Pre-shift work may be compensable if it is integral and indispensable, and rounding early clock-ins to the scheduled start time may not be neutral when employees are actually working.

Why This Matters

These opinion letters reflect the DOL's current interpretation of common wage-and-hour issues that drive a large share of FLSA investigations and private litigation. While opinion letters are not statutes or regulations, they signal how the agency will likely apply the FLSA in future enforcement and may support a good-faith reliance defense for employers whose facts closely match the scenarios addressed.

What Employers Need to Do

- Review classification, dual-role arrangements, and bonus structures to confirm they align with the FLSA principles discussed by the DOL.
- Audit timekeeping practices, including pre-shift work, clock-in procedures, and rounding policies, to confirm employees are paid for all compensable work.
- Confirm that unpaid meal periods are duty-free and that employees have a realistic option to take the break without performing work.

Key Risks for Employers

- **Signal of likely DOL enforcement focus:** The topics addressed, exempt status, bonus overtime treatment, meal periods, pre-shift work, and rounding, are common audit and investigation areas, and the letters provide insight into how the agency currently interprets these issues.
- **Practices that consistently favor the employer:** The opinion letters addressed rounding practices that push early clock-ins forward, pre-shift work that employers know is being performed, and bonus structures that may not fully account for overtime obligations— all of which could create wage-and-hour compliance risks.

Source References

- DOL - Press Release - Issues 4 opinion letters addressing overtime exemptions, bonuses, compensable time

Federal Legal Update

EEOC Rescinds Longstanding Affirmative Action Guidance

On June 30, 2026, the EEOC rescinded two longstanding guidance documents that explained when voluntary affirmative action plans could comply with Title VII.

The Commission stated that the guidance documents conflict with the text of Title VII of the Civil Rights Act of 1964, are inconsistent with Supreme Court precedent since 1979 (including Ames v. Ohio Department of Youth Services (2025)), and no longer reflect the agency's interpretation of employment discrimination law.

This update applies to all employers subject to Title VII. Title VII itself is unchanged, and Supreme Court precedent recognizing limited circumstances in which voluntary affirmative action plans may be lawful remains in effect.

Overview

What Was Rescinded

- 29 C.F.R. Part 1608 — the EEOC's 1979 interpretive guidelines on Affirmative Action Appropriate Under Title VII.
- Section 607 of the EEOC Compliance Manual, which explained how the agency evaluated affirmative action plans.

What the Rescinded Guidance Said

- The 1979 guidelines described when voluntary affirmative action plans could be lawful under Title VII, including when they were designed to remedy past or present discrimination or address significant underrepresentation in traditionally segregated job categories.
- The framework generally required a reasonable self-analysis of the workforce, evidence of imbalance, adverse impact, or effects of prior discrimination, and remedial action reasonably related to the identified problem.
- The guidance emphasized that affirmative action plans should be temporary, flexible, narrowly tailored, and not unnecessarily harm the interests of other employees or applicants.

Why the EEOC Rescinded the Guidance

- The Commission stated the guidance conflicts with the text of Title VII and is inconsistent with Supreme Court decisions issued since 1979.

What Employers Need to Do

- Review voluntary affirmative action plans, diversity, equity, and inclusion (DEI) programs, and any hiring, promotion, or other employment initiatives that consider protected characteristics, to confirm they are supported by current statutory requirements and court decisions rather than the rescinded EEOC framework.
- Employers also can no longer rely on the legal protections that were previously available when following this EEOC guidance.
- Confirm that any retained affirmative action or DEI program has a documented, legitimate, non-discriminatory business basis and that documentation reflects that basis clearly.
- Assess whether any program could be viewed as providing preferences based on protected characteristics and whether it is narrowly tailored under current Supreme Court precedent, including United Steelworkers v. Weber (1979) and Johnson v. Transportation Agency (1987).
- Review whether any state or local affirmative action or equal-opportunity requirements apply independently, and train HR, legal, and leadership teams on the change so decisions reflect the current federal landscape rather than the rescinded guidance.

Key Risks for Employers

- **Continued reliance on rescinded guidance:** Programs developed using the EEOC's former affirmative action guidance may no longer be defensible in an EEOC investigation or Title VII litigation.
- **Loss of the good-faith reliance defense:** Employers who acted in conformity with EEOC guidance previously had a potential statutory defense that is now unavailable for conduct going forward.

- The EEOC cited Ames v. Ohio Department of Youth Services (2025), in which the Supreme Court held that Title VII applies the same evidentiary standard to all disparate-treatment claims, regardless of whether the employee belongs to a majority or minority group.
- EEOC Chair Andrea Lucas stated that the rescission is intended to align agency policy with Title VII's requirement that protections apply equally to all individuals.

What Did Not Change

- Title VII of the Civil Rights Act of 1964 remains unchanged. The EEOC did not amend the statute and cannot do so.
- Supreme Court decisions recognizing limited circumstances in which voluntary affirmative action plans may be lawful — including United Steelworkers v. Weber (1979) and Johnson v. Transportation Agency (1987) — remain in effect.
- Only the courts can change those precedents.

Loss of the Good-Faith Reliance Defense

- Part 1608 had been designated as an official EEOC interpretation under Title VII, which historically supported a good-faith reliance defense under Section 713(b)(1) of Title VII for employers who acted in conformity with the guidance.
- With the rescission, that defense is no longer available for conduct going forward.

Why This Matters

Employers can no longer rely on nearly 40 years of EEOC guidance — or the associated statutory good-faith reliance defense — to support voluntary affirmative action plans and related DEI initiatives. Title VII and Supreme Court precedent remain unchanged, but the loss of the EEOC's framework signals increased agency scrutiny of race-, sex-, and national-origin-conscious employment decisions and shifts the compliance analysis toward current court decisions rather than legacy agency guidance.

- Increased EEOC scrutiny: The rescission signals a broader agency focus on employment practices that consider protected characteristics, including DEI-related hiring, promotion, and program design.
- Uncertainty about existing Supreme Court precedents: While Weber, Johnson, and other decisions still recognize limited voluntary affirmative action, future courts may interpret them narrowly considering more recent equal-protection and discrimination rulings, including Ames.
- Inconsistent state or local requirements: State or local affirmative action obligations apply independently of the EEOC's action, which may create tension between federal-level scrutiny and state-level mandates.

Source References

- EEOC Rescinds Affirmative Action - Press Release (06-30-2026)

Federal Legal Update

IRS Raises Business Mileage Rate to 76 Cents in 2026

Through Announcement 2026-11, the Internal Revenue Service (IRS) increased the optional standard mileage rates for the second half of 2026, citing recent increases in fuel prices. The change modifies the rates originally set in Notice 2026-10.

The business standard mileage rate increases from 72.5 cents to 76 cents per mile, and the medical and moving rate increases from 20.5 cents to 23.5 cents per mile. The charitable rate remains 14 cents per mile because it is set by law rather than adjusted by the IRS.

This update applies to employers that reimburse employee business travel using the IRS standard rate or that use the cents-per-mile method to value personal use of company vehicles. The new rates apply to travel on or after July 1, 2026.

Overview

New Rates Effective July 1, 2026

- **Business use:** 76 cents per mile (up from 72.5 cents).
- **Medical and moving purposes:** 23.5 cents per mile (up from 20.5 cents).
- **Charitable use:** 14 cents per mile (unchanged, set by statute).

How the Rates Apply by Period

- The 72.5-cent business rate continues to apply to business travel that occurred between January 1 and June 30, 2026.
- The 76-cent business rate applies to transportation expenses paid or incurred on or after July 1, 2026, and to reimbursements paid on or after July 1, 2026, for travel that occurred on or after that date.

Other Details

- The rates apply to all vehicle types, including electric, hybrid-electric, gasoline, and diesel vehicles.
- Employers may use the standard rate to reimburse employees who use personal vehicles for business travel, and to value personal use of certain employer-provided vehicles under the cents-per-mile method.
- Moving-expense deductions remain limited to certain active-duty military personnel and certain intelligence community employees who meet federal eligibility requirements.
- All other provisions of Notice 2026-10 remain unchanged.

What Employers Need to Do

- No federal law requires employers to reimburse mileage at the IRS standard rate. However, employers that choose to use the IRS rate should apply the correct rate for the correct period: 72.5 cents per mile for business travel from January 1 through June 30, 2026, and 76 cents per mile for business travel on or after July 1, 2026.
- To keep mileage reimbursements tax-free, ensure they meet IRS accountable plan requirements: the travel must have a business connection, employees must substantiate the mileage within a reasonable time, and any excess reimbursement must be returned. Reimbursements that fail these requirements become taxable wages subject to payroll taxes and Form W-2 reporting.
- Employers using the cents-per-mile method to value an employee's personal use of a company vehicle should apply the updated rate as required under the applicable IRS valuation rules.

Key Risks for Employers

- Reimbursing more than the IRS standard rate without adequate substantiation under an accountable plan, may cause the excess to be treated as taxable wages, creating payroll tax and Form W-2 reporting obligations.
- Some states (such as California), require employers to reimburse necessary business expenses. Under-reimbursing mileage in those states may create state-law liability independent of the IRS rate.
- Using the 76-cent rate for travel before July 1, 2026 (or the 72.5-cent rate for travel on or after that date) may result in inaccurate reimbursements and potential tax or recordkeeping issues.

Federal Legal Update

Why This Matters

The midyear increases means employers that reimburse business mileage using the IRS rate need to apply two different rates within the same calendar year: 72.5 cents through June 30 and 76 cents beginning July 1. Employers should update payroll and expense systems promptly to apply the correct rate based on the travel date, both to keep reimbursements accurate and to avoid tax complications from over- or under-reimbursement.

Additional Information

The official source is IRS Announcement 2026-11, published in Internal Revenue Bulletin 2026-29. The IRS made the midyear adjustment because of rising fuel prices, which is relatively unusual, as the standard mileage rate is typically adjusted only once per year at the start of the calendar year.

Source References

- IRS - Bulletin 2026-29 - Optional Standard Mileage Rates (July 13, 2026)

State Legal Updates

State Legal Update

Arkansas Enacts Children and Teens Privacy Law

On April 21, 2025, House Bill 1717 became Act 952, creating the Arkansas Children and Teens' Online Privacy Protection Act.

The law extends federal Children's Online Privacy Protection Act (COPPA)-style protections beyond children under 13 to also cover teens ages 13 to 16, making Arkansas the first state to expand federal-style privacy protections to teens.

This update applies to for-profit operators of websites, online services, online applications, and mobile applications that are either directed at children or teens, or that have actual knowledge they are collecting personal information from children or teens. The law takes effect on July 1, 2026.

Overview

Who is Covered

- **Child:** An individual 12 years of age or younger in Arkansas.
- **Teen:** An individual located in Arkansas who is at least 13 but younger than 17.
- Operators are not required to affirmatively collect age information they do not already collect in the normal course of business, or to implement age-gating or age-verification functionality. However, covered operators must comply when the Act applies based on a platform being directed at children or teens or based on actual knowledge.

Exclusions from "Operator"

- Certain nonprofits, gaming platforms that comply with COPPA, state agencies and institutions, and state schools are excluded from the definition of operator.

Key Requirements

- **Notice and Consent:** For children, parental consent is required. For teens, either the teen or the parent may consent.
- **Data Minimization:** Collection is limited to what is consistent with the context of the service or user relationship, or what is required by law. Personal information cannot be retained longer than reasonably necessary.
- **Targeted Advertising Ban:** Operators cannot collect, or allow another party to collect, use, disclose, or maintain, personal information of children or teens for targeted advertising.
- **No "Pay-with-Data" Mechanics:** Operators cannot condition participation in a game or prize on how much information a child discloses.

What Employers Need to Do

- Determine whether the organization meets the definition of "operator" under the Act, which covers for-profit websites, online services, online applications, and mobile applications that are directed at children or teens or that have actual knowledge they are collecting personal information from them.
- Review online platforms and data collection practices to identify any information collected from individuals 16 or younger located in Arkansas, including identifiers, contact details, biometric data, geolocation, and any information linked or reasonably linkable to a child, teen, or parent.
- Update notice and consent processes. Provide clear notice of data practices and obtain parental consent for children 12 and under and either teen or parental consent for teens 13 to 16 before collecting personal information, and ensure consent meets the "freely and unambiguously authorizes" standard.
- Eliminate targeted advertising directed at children or teens, including any practice that collects or allows another party to access their personal information for advertising purposes.
- Implement reasonable security measures, data minimization practices, and processes to respond to deletion and correction requests for children's and teens' personal information.

Key Risks for Employers

- **Targeted Advertising Exposure:** The Act prohibits collecting or allowing access to children's and teens' personal information for targeted advertising, and the Act is silent on whether consent can override this restriction.
- **Ambiguity Around "Directed at" and "Actual Knowledge":** Because these terms are not defined, operators may be uncertain whether their platforms fall within scope and could face enforcement risk based on AG interpretation.

- **Consumer Rights:** Operators must respect deletion and correction requests for personal information of children and teens.
- **Security:** Operators must implement reasonable security measures to protect children's and teens' personal information.

Broad Definition of "Personal Information"

- The definition includes contact details, identifiers, biometric data, geolocation, and any information linked or reasonably linkable to a child, teen, or parent.

Enforcement

- Enforcement authority rests exclusively with the Arkansas Attorney General. There is no private right of action.
- Enforcement is limited to protecting the interests of Arkansas residents, even though the Act's definition of "teen" uses "located in Arkansas" rather than "resident."

Why This Matters

Arkansas has become the first state to extend the full breadth of federal COPPA-style protections beyond children under 13 to also cover teens ages 13 to 16, signaling a broader state-level trend toward expanded youth privacy protection.

Operators with online platforms accessible to Arkansas users, particularly those that rely on personalized advertising or handle sensitive data, face new compliance obligations that go beyond federal COPPA.

The Act also leaves several key terms undefined, so operators will need to monitor the Arkansas Attorney General's guidance as the July 1, 2026, effective date approaches.

- **Gaming Platform Exemption Gap:** Gaming platforms that comply with federal COPPA are excluded from the definition of operator under the Act. Additional guidance may be needed to clarify how this exemption applies in practice to teen users.
- **Consent and Minor Data Handling:** The Act does not directly define how parental consent should be obtained for children under 13, creating implementation uncertainty for operators serving the youngest users.

Source References

- Arkansas HB 1717 - Children and Teens' Online Privacy Protection Act (Act 952)

State Legal Update

California Healthcare Minimum Wage Rises July 2026

Beginning July 1, 2026, covered California healthcare facilities must apply new minimum wage rates under Senate Bill (SB) 525, which created a statewide minimum wage schedule for covered healthcare workers.

The law uses different wage schedules based on facility type, including large healthcare systems, dialysis clinics, community and rural clinics, safety net hospitals, and other covered healthcare facilities.

This update applies to California healthcare employers operating covered healthcare facilities under SB 525 and took effect on July 1, 2026.

Overview

New Rates Effective July 1, 2026

- **Large Healthcare Systems, Dialysis Clinics, and Large County-run Facilities:** $25 per hour.
- **Community Clinics, Rural Health Clinics, and Qualifying Urgent Care Clinics:** $22 per hour.
- **Other Covered Healthcare Facilities (Including Physician Groups with 25 or More Physicians):** $23 per hour.
- **Safety Net Hospitals, Rural Independent Facilities, and Small County-run Facilities:** Approximately $19.28 per hour, increasing by 3.5% annually until reaching $25 per hour in 2033.

Who is Covered

- Covered workers must work for a covered healthcare facility and provide healthcare services or support those services.
- Covered roles span direct care and support positions, including nurses, physicians, caregivers, medical residents, patient care technicians, janitors, housekeeping, clerical, food service, medical billing, schedulers, call center, warehouse, and laundry workers.
- Covered facilities include hospitals, integrated health systems, hospital-operated skilled nursing facilities, dialysis clinics, outpatient and urgent care centers, physician groups, and hospital-affiliated care settings.
- Exclusions include certain state-run facilities, tribal clinics, and stand-alone skilled nursing facilities.

What Employers Need to Do

- Confirm whether the organization qualifies as a covered healthcare facility under SB 525 and identify the applicable facility category.
- Identify which employees qualify as covered healthcare workers, including direct patient care roles and support roles such as housekeeping, food service, clerical, billing, and warehouse workers. The covered worker definition is broad and reaches both clinical and non-clinical positions that support healthcare services.
- Update payroll systems to reflect the correct July 1, 2026, rate based on facility category. Confirm that Human Resources Information System (HRIS) or payroll vendor configurations apply the new rate from the first applicable pay period.
- Review wage notices, postings, and pay-rate documentation to ensure compliance with the updated rates.
- Train HR, payroll, and operations leaders on the facility category and applicable rate so wage decisions, new hire offers and pay adjustments remain consistent across the organization.

Key Risks for Employers

- **Misclassifying the Facility Category:** Applying the wrong category could result in significant underpayment exposure given the wide gap between rates.
- **Overlooking Support Roles:** The covered worker definition is broad and includes many non-clinical positions that employers may not initially identify as covered.
- **Payroll System Gaps:** Failing to update payroll by July 1, 2026, may create wage-and-hour liability for each affected employee and pay period.
- **Inaccurate Wage Notices:** Out-of-date wage notices or postings could create separate compliance exposure under California wage notice requirements.

State Legal Update

Why This Matters

Covered healthcare employers must apply the correct wage rate for their facility category beginning July 1, 2026. SB 525 uses multiple wage schedules, and the rates vary significantly by category — meaning facility classification has a direct effect on payroll costs and compliance exposure.

Source References

- California Gives Healthcare Workers A Raise (VensureHR)
- California Gives Healthcare Workers A Raise (VensureHR)
- Senate Bill (SB) 525

State Legal Update

Colorado Enacts State-Level EEO-1 Data Reporting

On June 4, 2026, Governor Jared S. Polis signed House Bill 26-1207 (HB 26-1207), Disclosure of Demographic Workforce Data, creating a state-level Employer Information Report (EEO-1) data reporting requirement for certain large private employers. The act's general effective date is August 12, 2026.

This update applies to private-sector entities conducting business in Colorado that employ 100 or more workers companywide and were required to submit EEO-1 data to the U.S. Equal Employment Opportunity Commission (EEOC) as of March 1, 2026. **Beginning July 1, 2027**, covered employers must include EEO-1 demographic workforce data in their Colorado Secretary of State periodic report.

Overview

What the Law Requires

- EEO-1 demographic workforce data must include race, ethnicity, gender, and job category.
- The law ties reporting to the federal EEO-1 form as it existed on March 1, 2026, rather than any future version.
- Employers must provide the data even if the federal government repeals or discontinues the federal EEO-1 filing requirement.
- Colorado's law explicitly requires reporting even if the federal government repeals or discontinues the federal EEO-1 requirement, regardless of Federal rollback.

Who is Covered

- A private sector entity conducting business in Colorado that employs 100 or more workers.
- The law excludes government entities (state, local, and federal), school districts, state institutions of higher education, and quasi-governmental entities or political subdivisions.
- "Worker" is defined by cross-reference to Colorado Revised Statutes section 8-4-101(5).

How Reporting Works

- Colorado is not creating a separate civil rights or labor reporting portal. Instead, the EEO-1 data is incorporated into the entity's existing periodic report with the Secretary of State.
- The Colorado Secretary of State describes periodic reports as annual filings used to keep entity information current and maintain good standing.

What Employers Need to Do

- Determine whether the organization meets the law's definition of "employer;" a private sector entity conducting business in Colorado with 100 or more workers.
- Identify the entity's periodic report month with the Colorado Secretary of State, because the reporting timeline is not a single statewide deadline.
- Preserve and maintain EEO-1 demographic data collection systems, including the race, ethnicity, gender, and job category classifications from the federal EEO-1 form.
- Regardless of any changes to federal reporting requirements, Colorado will require the data as it existed on March 1, 2026,.
- **Do not dismantle EEO-1 data collection systems prematurely:** Employers that stop collecting demographic workforce data in response to federal changes may not be able to rebuild those systems in time for Colorado's July 1, 2027, deadline.
- Monitor guidance from the Colorado Secretary of State and the EEOC, as technical filing requirements and federal developments remain in progress.

Key Risks for Employers

- HB 26-1207 does not create new penalties for failing to report EEO-1 data. However, because the requirement is added to Colorado's periodic report statute under the Colorado Corporations and Associations Act (CCAA) (which governs how business entities register, report, and maintain good standing) non-compliance may trigger existing CCAA consequences.
- Failing to file a complete periodic report may result in late fees, delinquency status, and eventual administrative dissolution risk under the CCAA, consequences that go beyond the EEO-1 reporting requirement itself and may affect the entity's ability to operate in Colorado.

- The filing timeline is tied to each entity's periodic report month, not a single statewide deadline. The report month appears on the entity's summary page in the Secretary of State business database.

Unresolved Questions

- **Scope of Reporting Population:** The law does not clearly specify whether employers must report Colorado-only employees, Colorado establishments, or their enterprise-wide workforce.
- **Confidentiality and Public Access:** The law does not expressly address whether the EEO-1 data filed with the Secretary of State will be treated as confidential or become publicly accessible.
- **Technical Filing Method:** The law does not explain how the state will collect the data, whether Colorado will create its own validation procedures or technical filing standards, or how the data will be structured within the Secretary of State filing system.
- **Demographic Definitions:** If federal rules change, it is unclear whether Colorado will create its own demographic definitions or self-identification standards.

Why This Matters

Colorado has created an independent state-level EEO-1 reporting obligation that survives even if federal EEO-1 reporting is repealed.

Employers that assumed demographic reporting would end with a federal rollback now face a continuing obligation in Colorado, and the law locks the data format to the federal form as it existed on March 1, 2026.

- Losing good standing may affect the entity's ability to sue in Colorado courts, obtain financing, close transactions requiring proof of good standing, and maintain contracts that require active-status certification.
- Because each employer's reporting is tied to its own periodic report month, some employers may need to report soon after July 1, 2027, while others may have more time — employers that do not check their report month early could miss their deadline.

Source References

- Colorado HB 26-1207 - Disclosure of Demographic Workforce Data

Resources

- Colorado - Business FAQs - Periodic Reports

State Legal Update

Colorado Restricts Employer ID Retention

On June 3, 2026, Colorado Governor Jared Polis signed House Bill (HB) 1283 into law, limiting how employers may handle employees' government-issued identification documents. The law prohibits the confiscation or retention of identification documents except in limited circumstances and creates new notice, acknowledgment, and recordkeeping requirements related to employment verification.

Affected individuals may seek the immediate return of their documents and pursue civil damages.

This update applies to Colorado employers and their agents. The law took effect immediately upon the Governor's signature on June 3, 2026.

Overview

What the Law Prohibits: Employers and their agents may not demand, confiscate, retain, or require any worker or applicant to surrender a government-issued identification document.

Who is Covered: Applies to employees, applicants, and workers in any capacity, including migrant and seasonal workers.

Permitted Temporary Retention: Employers may temporarily retain identification only to verify employment eligibility (e.g., Form I-9). Retention may not exceed 10 hours, and employers may retain only a copy afterward.

Notice and Acknowledgment: Employers must provide written notice of workers' rights in English and the worker's primary language and keep signed acknowledgments on file.

Enforcement

- Affected individuals may seek immediate return of their documents and pursue damages through civil action.
- Using identification documents to harass, intimidate, or threaten (including threats to share with federal authorities) may elevate the offense to a bias-motivated crime.

Why This Matters

This law substantially changes how Colorado employers handle original government-issued IDs, imposing a 10-hour retention cap, new notice and acknowledgment obligations, and potential criminal liability for knowing violations, with enhanced penalties for harassment or intimidation. The law is effective immediately, requiring employers that review or temporarily retain identification documents during employment verification to ensure their practices align with the new requirements.

What Employers Need to Do

- Ensure no employee, applicant, or worker is required to surrender government-issued identification outside permitted circumstances, and limit handling of original documents strictly to lawful verification purposes such as completing Form I-9.
- Return identification documents promptly and never retain originals longer than necessary, with a maximum of 10 hours. After that, employers may retain only a copy.
- Provide the required written notice explaining identification-document protections when employment eligibility documents are reviewed or temporarily retained for verification or reverification, delivered in English and in the worker's primary language if known.
- Secure the worker's signed acknowledgment of the notice and retain it in employment records.
- Ensure employees responsible for employment verification are aware of the law's restrictions and notice requirements.

Key Risks for Employers

- **Criminal Liability:** Knowingly retaining or confiscating identification outside permitted circumstances may constitute criminal possession of an identification document.
- **Enhanced Criminal Penalties:** Conduct involving harassment, intimidation, or protected characteristics may lead to more severe charges.
- **Civil Lawsuits:** Workers may seek damages and court orders for the immediate return of documents.
- **Defensible Justification:** Without signed acknowledgments and notice records on file, employers may struggle to defend against civil claims or demonstrate compliance during an investigation.

Source References

- CO HB1283 - Protections Regarding Seizures of Identification Documents

State Legal Update

Colorado Raises Wage Claim Threshold

Beginning July 1, 2026, Colorado's wage claim threshold will increase from $7,500 to $13,000 under House Bill 25-1001 (HB 25-1001), enacted in 2025.

The Colorado Division of Labor Standards and Statistics will be able to hear wage claims up to $13,000 for claims filed between July 1, 2026, and December 31, 2027, after which the threshold will be adjusted annually for inflation.

This update applies to Colorado employers subject to state wage-and-hour requirements and takes effect on July 1, 2026.

Overview

- Colorado's Division of Labor Standards and Statistics may currently hear wage claims of $7,500 or less. Beginning July 1, 2026, the threshold rises to $13,000 for claims filed through December 31, 2027.
- Beginning January 1, 2028, the maximum claim amount will be adjusted for inflation as specified by the Division's director.
- HB 25-1001 also requires the Division to determine whether a wage violation was willful, publish employers found in violations, and notify licensing or permitting authorities if a willful violation is not corrected within 60 days.

Why This Matters

The higher threshold means more wage disputes may be managed administratively through the Division rather than in court, increasing the likelihood that Colorado employers face state-agency-level wage claims. Combined with the willfulness determinations, public posting, and licensing-notification provisions of HB 25-1001, employers face broader enforcement exposure than under the prior threshold.

What Employers Need to Do

- Review wage payment practices, final pay procedures, and deduction policies before July 1, 2026, because higher-value claims may now fall within the Division's jurisdiction.
- Update internal processes for responding to wage claims to ensure timely and consistent responses through the state administrative process.
- Train HR and payroll staff to recognize when a wage dispute may now qualify for administrative handling rather than direct court action.

Key Risks for Employers

- **Colorado Wage Act penalties apply to claims within the Division's expanded jurisdiction:** A successful wage claim can result in recovery of the full unpaid wages plus an automatic penalty of two times the unpaid wages or $1,000, whichever is greater. HB 25-1001 raises the Division's threshold to $13,000, meaning employers may face these penalties on larger claims through administrative channels.
- **Willfulness determinations and public posting:** The Division must determine whether a violation was willful and may publish certain employer violations, increasing reputational exposure.
- **Licensing impact:** If a willful violation is not corrected within 60 days, the Division must notify licensing or permitting authorities, which may have implications beyond the wage claim itself.
- **Extended limitations for willful violations:** Willful violations carry a three-year statute of limitations (versus two years for standard violations), extending employer exposure.

Source References

- Colorado Expands Wage and Hour Protections and Liability (VensureHR)
- Colorado HB 25-1001 - Enforcement Wage Hour Laws

State Legal Update

Colorado Enacts Extreme Temperature Worker Protections

On June 4, 2026, Colorado Governor Jared Polis signed House Bill 26-1272 (HB 26-1272), Extreme Temperatures Worker Protections, expanding Colorado's temperature-related workplace protections beyond agriculture to address both extreme heat and extreme cold across industries.

The law does not establish immediate operational requirements or specific temperature thresholds. Instead, it directs the Colorado Department of Labor and Employment (CDLE) to collect workplace temperature incident data by January 15, 2027, and develop a model Temperature-Related Injury and Illness Prevention Plan (TRIIPP) by **July 1, 2028**.

This update applies to covered employers operating in Colorado, including employers subject to the federal Fair Labor Standards Act (FLSA), agricultural employers, state and local governments, and entities that contract with five or more independent contractors in Colorado annually. The law takes effect on August 12, 2026.

Overview

What the Law Does

- Expands Colorado's temperature-related workplace protections beyond agriculture to address both extreme heat and extreme cold across industries.
- Directs CDLE, through the Division of Labor Standards and Statistics, to (1) collect data on temperature-related workplace injuries, illnesses, and emergencies; (2) develop a model TRIIPP; and (3) adopt rules necessary to implement the law.
- "Worker" includes an employee under Colorado wage law and an individual who works for an entity that contracts with five or more independent contractors in Colorado each year.

Data Collection (by January 15, 2027): CDLE must create a public reporting platform on its website where users can report temperature-related workplace injuries, illnesses, or emergencies, and obtain data from the Colorado Department of Public Health and Environment's (CDPHE) syndromic surveillance program, the Division of Workers' Compensation (DWC), and the Center for Improving Value in Health Care (CIVHC).

Model TRIIPP (by July 1, 2028): The model must include written procedures addressing:

1. No-cost access to cool, potable drinking water.
2. Cool-down or warm-up rest areas.
3. Workplace temperature monitoring
4. A 14-day acclimatization process for new or returning workers.

What Employers Need to Do

- Review current heat and cold safety practices for temperature-exposed roles (outdoor, warehouse, construction, agricultural, transportation, landscaping, etc.) to identify potential gaps ahead of future CDLE rulemaking.
- Monitor CDLE developments, including the public reporting platform launching by January 15, 2027, and the model TRIIPP due July 1, 2028, to stay informed on future thresholds, procedures, and employer obligations.
- Evaluate existing training materials on heat-related and cold-related injury symptoms, since the model plan is expected to address both types of temperature exposure.
- Identify which roles at the organization involve temperature-exposed work (outdoor, warehouse, construction, agricultural, transportation, landscaping, etc.), so that once CDLE issues implementing rules, the organization has a clear scope for applying new requirements.

Key Risks for Employers

- HB 26-1272 does not establish penalties for employers today because CDLE has not yet issued implementing rules. Once rules are adopted, non-compliance will be enforceable through CDLE's existing authority under Colorado labor standards.
- The public reporting platform launching by January 15, 2027, may raise state-level scrutiny of temperature-related workplace injuries and illnesses, even before enforceable standards exist.
- Employers may have limited time to evaluate and respond to future requirements if CDLE issues implementing rules after the model TRIIPP is published.
- Federal OSHA continues to enforce the General Duty Clause for heat-related hazards, so Colorado employers may face federal enforcement even before state rules are issued.

5. Training on Symptoms of Temperature-related Injuries and Illnesses
6. Emergency Response Procedures
   - CDLE must review and update the model plan at least every five years.

Rulemaking Authority: CDLE may adopt rules to implement the law, which may result in additional employer obligations through future rulemaking.

Why This Matters

This law establishes the foundation for Colorado's future workplace temperature-safety standards, expanding coverage beyond agriculture and reaching both extreme heat and extreme cold — a broader scope than most state heat-illness laws. While the law does not impose immediate operational requirements, employers with temperature-exposed workforces should closely monitor future CDLE developments because the model TRIIPP and any future CDLE rules may shape employer obligations by 2028.

Additional Information

Key Definitions

- Heat-related injury or illness and cold-related injury or illness cover serious medical conditions caused by the body's inability to cope with heat or cold stress, including symptoms such as headache, nausea, dizziness, elevated body temperature, numbness, confusion, and excessive shivering.
- Acclimatized means the body's gradual adaptation to working in heat or cold, reducing strain from heat or cold stress and reducing the chance of temperature-related injury or illness.
- Heat-temperature trigger and cold-temperature trigger are temperatures at which an individual, if exposed for a prolonged period, may be at risk of a temperature-related injury, illness, or emergency.

Source References

- Colorado HB 26-1272 - Extreme Temperatures Worker Protections

State Legal Update

Hawaii Expands Family Leave for Military Exigencies

On May 19, 2026, Hawaii enacted Act 13 (SB 3082 CD1), expanding the Hawaii Family Leave Law (HFLL) to allow eligible employees to take leave for a qualifying military exigency.

The law adopts the federal Family and Medical Leave Act (FMLA) concept of "qualifying military exigency," covering urgent needs related to active-duty service.

This update applies to Hawaii employers covered by HFLL and takes effect on July 1, 2026.

Overview

Coverage: Applies to employers with 100 or more employees working in Hawaii for each working day during 20 or more calendar weeks in the current or preceding calendar year, including part-time, temporary, intermittent employees, and those on leave. Employees at mainland or international locations who do not work in Hawaii are not included in the count.

Expanded Leave Category: Eligible employees may now take up to four weeks of unpaid, job-protected leave per calendar year for: (1) Birth or adoption of a child, (2) Caring for a family member with a serious health condition, and (3) A qualifying military exigency.

Qualifying Military Exigency: Defined by reference to federal regulations (29 CFR 825.126) and includes urgent needs related to active-duty service, such as:

- Deployment Preparation
- Childcare Arrangements
- Military Events or Briefings
- Financial or Legal Arrangements
- Applies when the employee's child, spouse, reciprocal beneficiary, sibling, grandchild, or parent is in the U.S. Armed Forces.

Key Difference from Federal Law: Hawaii's law applies the military exigency concept to a broader group of family members than the federal FMLA, which is limited to a spouse, child, or parent.

Notice Requirements: Employees must provide reasonable and practicable notice when the need for leave is foreseeable.

Why This Matters

Hawaii expanded its family leave framework to include military exigency leave, aligning state law more closely with federal standards while applying it to a broader set of family relationships. Employers covered by HFLL must now recognize and administer this additional leave category beginning July 1, 2026.

What Employers Need to Do

- Update leave policies, forms, and internal guidance to include qualifying military exigency as a covered reason for HFLL leave.
- Ensure Human Resources staff and managers responsible for leave administration understand the new leave category and the broader family relationships covered under Hawaii law.
- Review notice and documentation procedures to ensure employees requesting military exigency leave provide reasonable advance notice when foreseeable.
- Coordinate documentation practices, including obtaining supporting information such as military orders where appropriate.

Key Risks for Employers

- Intentional HFLL violations, including denying military exigency leave to eligible employees, are a petty misdemeanor punishable by up to a $1,000 fine, 30 days imprisonment, or both.
- Employees may sue for damages, and prevailing employees are entitled to recover costs and reasonable attorney's fees, pushing litigation costs beyond the damages themselves.
- Employees may file complaints with the Hawaii Department of Labor and Industrial Relations (DLIR), creating investigation and hearing exposure independent of civil litigation.

Source References

- Hawaii SB 3082 - Relating To Military Families.
- Hawaii HB 2263 - Companion
- Governor of Hawaii - Press Release

Resources

- Hawaii FAQs - Hawaii Family Leave

State Legal Update

Idaho Background Check Law Consolidation Update

On March 27, 2026, Governor Brad Little signed House Bill 494 (HB 494) into law, consolidating the Department of Health and Welfare's authority to conduct fingerprint-based background checks into a single framework.

The law does not expand the categories of workers subject to screening; rather, it replaces and repeals prior provisions and reorganizes existing requirements into a single chapter to standardize procedures and centralize rulemaking authority.

This update applies to Idaho employers in healthcare, childcare, foster care, long-term care, and similar fields that employ individuals working with children or vulnerable adults, and is effective July 1, 2026.

Overview

What the Law Does

- The law enumerates over two dozen covered roles, including:
  - Childcare and daycare staff.
  - Foster and adoptive caregivers.
  - Healthcare and home health aides.
  - Long-term care and nursing facility personnel.
  - Court-appointed guardians and conservators.
  - Certain Medicaid and service providers.
- Covered individuals include employees, contractors, and, in some cases, volunteers in covered positions.

Requirements

- Individuals in covered roles must undergo fingerprint-based background checks administered through the Department of Health and Welfare, using both the Idaho State Police and the FBI (Federal Bureau of Investigations) databases.
- Clearances indicate eligibility, while denials reflect disqualification based on criteria established by the department.
- A background check clearance does not determine overall suitability for employment: it only confirms the individual is not disqualified under the law.

Liability Protection

- The law establishes an explicit liability shield for employers who make employment decisions in reasonable reliance on a department-issued clearance determination.

Fee Provisions

- Applicants are required to pay fees set by the department, but temporary caregivers under the Temporary Care Assistance Program are explicitly exempt from those fees.

What Employers Need to Do

- Review current hiring and onboarding practices for covered roles to ensure background check clearance is obtained through the Department of Health and Welfare before placement.
- It is suggested to update internal policies and statutory references to reflect the new framework because the prior governing section has been repealed.
- Coordinate with the Idaho Department of Health and Welfare background check system for fingerprint submissions and eligibility determinations.
- Audit covered roles to confirm they are properly classified and that all current employees, contractors, and volunteers in those positions have active clearances on file.
- Train recruiting and HR staff on how to interpret clearance and denial determinations, including the distinction between legal eligibility and overall employment suitability

Key Risks for Employers

- Placing an individual in a covered role without required clearance may violate program-specific licensing rules (childcare, healthcare facility, long-term care, Medicaid provider), which can lead to citation, corrective action plans, license suspension, or license revocation depending on the program.
- Acting without an official clearance determination, or on incomplete results, forfeits that protection and leaves the employer exposed to negligent hiring or retention claims.
- Program-specific inspections and licensing surveys may identify clearance gaps as compliance findings, triggering corrective action requirements, monetary sanctions, or restrictions on new admissions or new placements, depending on the applicable program's enforcement structure.

State Legal Update

Confidentiality

- The law establishes confidentiality protections for records obtained during the background check process.

Enforcement

- Background checks are administered by the Idaho Department of Health and Welfare. Enforcement and penalties are to be tied to applicable program rules and licensing requirements.

Why This Matters

This law replaces a fragmented set of background check provisions with a single, centralized statute, simplifying compliance tracking for employers in regulated care environments.

While the substantive screening requirements are largely unchanged, the explicit liability shield for employers who rely on department-issued clearances reduces legal exposure when making hiring or retention decisions.

Employers should ensure their policies and documentation reflect the new statutory structure before the July 1, 2026, effective date.

Additional Information

The law also affects guardianship proceedings, daycare facility requirements, and temporary care assistance programs.

- For Medicaid-participating providers, background check non-compliance may affect Medicaid provider agreements or trigger exclusion from participation in program payment structures.

Source References

- ID H0494 - Amends, repeals, and adds to existing law to establish provisions regarding background checks conducted by the Department of Health and Welfare.

State Legal Update

Indiana FAIRNESS Act Targets Unauthorized Hiring

On March 5, 2026, Indiana enacted Senate Enrolled Act 76 (SB 76), also known as the FAIRNESS Act, as Public Law 106, creating new state-level penalties for employers that knowingly or intentionally recruit, hire, or continue to employ unauthorized workers in Indiana.

The law authorizes the Indiana Attorney General to investigate suspected violations and seek court-ordered remedies, including suspending or revoking an employer's operating authorizations, such as licenses, permits, or registrations.

This update applies to any employer that recruits, hires, or employs workers in Indiana, regardless of industry or size, and takes effect on July 1, 2026.

Overview

What is Prohibited:

- Employers may not knowingly or intentionally recruit an unauthorized worker, hire an unauthorized worker, or continue to employ a worker after the employer knows the worker is not authorized to work in Indiana.
- The "continue to employ" language means risk does not stop at hiring; if an employer learns during employment that a worker lacks authorization, keeping the worker on payroll may create exposure.

Who is Covered: The law applies broadly to employers operating in Indiana, including those that recruit, hire, or employ workers in the state. Coverage is not limited by industry or employer size.

Enforcement Authority: The Indiana Attorney General is authorized to investigate suspected violations and bring enforcement actions, including requests for information and court-ordered remedies if probable cause is found.

Penalties

- First-time Single Violation: Possible five-business-day suspension of operating authorizations at the affected location.
- Multiple First-time Violations: Possible 10-business-day suspension.
- Repeat Violations: Possible 180-day suspension.
- Willful or Serious Repeat Violations: Possible permanent revocation of all Indiana operating authorizations.

Reasonable-Diligence Defense: Employers may reduce liability by showing they took reasonable steps to verify work authorization before recruiting, hiring, or continuing employment. Use of E-Verify or industry-standard verification practices supports this defense.

What Employers Need to Do

- Review Form I-9 completion, retention, and audit practices to ensure consistent and timely employment eligibility verification for all Indiana hires.
- Evaluate whether the use of E-Verify may assist in demonstrating reasonable diligence under the law's defense provisions.
- Ensure individuals responsible for verifying work authorization are trained to apply consistent practices and escalate any concerns promptly.
- Create or update a response process for Attorney General inquiries, including who is responsible for receiving requests, gathering documentation, and coordinating with legal counsel.
- Reinforce anti-retaliation protections, because the law prohibits discharging, discriminating against, or retaliating against employees who communicate or cooperate with the Attorney General about compliance.

Key Risks for Employers

- Violations carry escalating suspension periods. Five business days for a first-time single violation, 10 business days for multiple first-time violations, 180 days for repeat violations, and permanent revocation of all Indiana operating authorizations for willful or serious repeat violations.
- Enforcement risk does not end at hiring; learning that a current employee lacks authorization and keeping them employed may trigger the same suspension and revocation penalties above, applied to ongoing employment rather than initial hiring.
- The Indiana Attorney General may investigate suspected violations, issue information requests, and seek court-ordered remedies, meaning employers may face investigation and litigation costs even before a final suspension or revocation decision.

State Legal Update

Anti-Retaliation Protection: Employers may not discharge, discriminate against, or retaliate against an employee for communicating or cooperating with the Attorney General about compliance with the law.

Why This Matters

The FAIRNESS Act creates a state-level enforcement framework that goes beyond traditional fines, penalties can affect an employer's ability to operate in Indiana by suspending or revoking licenses, permits, and registrations. Because the law also reaches continued employment, not just hiring, ongoing verification practices and audit readiness become as important as onboarding procedures.

- Discharging, discriminating against, or retaliating against employees who communicate or cooperate with the Attorney General about compliance may create separate liability under the anti-retaliation provision, including additional enforcement actions and remedies.

Source References

- Indiana SB 76 - Immigration matters.

Chicago Revises Paid Leave Rules Effective June 2026

On May 15, 2026, the Chicago Department of Business Affairs and Consumer Protection (BACP) Office of Labor Standards (OLS) adopted revised rules under the Paid Leave and Paid Sick and Safe Leave Ordinance.

The revised rules do not create a new leave framework but clarify existing obligations in key areas, including joint employment, notice and posting, tipped employee pay, childcare-related leave use, paid sick leave abuse, combined Paid Time Off (PTO) policies, accrual for exempt and non-exempt employees, benefit year administration, and successor employer obligations.

This update applies to Chicago employers subject to the Paid Leave and Paid Sick and Safe Leave Ordinance. The rules were published on May 18, 2026, and took effect on June 1, 2026.

Overview

Joint Employment

- Joint employment exists when two or more entities control the essential terms and conditions of an employee's work. When joint employment exists, all joint employers are individually and jointly responsible for compliance.
- Covered employees jointly employed by more than one employer must be counted by each employer, even if the worker does not appear on that employer's payroll, which may affect employer-size thresholds and payout obligations.
- Can arise in temporary staffing, lead agency, Professional Employer Organization (PEO), and similar arrangements.

Coverage and Accrual

- Covers employees who work at least 80 hours for an employer in Chicago within any 120-day period, regardless of immigration status. Day laborers are covered if they meet the hours threshold.
- Employees accrue one hour of paid leave and one hour of paid sick leave for every 35 hours worked. Non-exempt employees accrue on all hours worked, including overtime; exempt employee accrual is capped at 40 hours per workweek.

Notice and Posting

- Employers must post the required notice through their usual methods of communication. Paper postings must be printed on paper no smaller than 11 inches by 17 inches, and the rules provide examples of acceptable posting locations, including bulletin boards, breakrooms, display monitors, and employee swipe-in areas.

What Employers Need to Do

- Review current leave policies, PTO design, and payroll accrual settings to confirm alignment with the revised rules, particularly for non-exempt employees whose accrual now clearly includes overtime hours.
- Evaluate staffing agency, Professional Employer Organization (PEO), lead agency, and similar arrangements for potential joint employment, including counting jointly employed workers for employer-size thresholds and payout obligations.
- Confirm that required posting and annual notice practices meet the rules' specifications, including paper postings printed on paper no smaller than 11 inches by 17 inches and annual notice delivered with a paycheck issued within 30 days of July 1.
- Update policies for tipped non-exempt employees to reflect payment at the higher of the base hourly wage or the applicable minimum wage, without applying tip credit.
- Document objective, patterns-based standards for addressing paid sick leave abuse and ensure successor employer and benefit year change processes align with the revised rules.

Key Risks for Employers

- Employees denied a benefit under the ordinance may recover three times the leave denied or lost, plus interest, costs, and reasonable attorney's fees, exposing employers to litigation costs well beyond the underlying leave dispute.
- Employers face City fines of $1,000–$3,000 per offense, with each day of a continuing violation treated as a separate offense — meaning penalties can accumulate rapidly for ongoing non-compliance.
- Employers using staffing agencies, PEOs, or lead agencies may face shared liability for the above penalties, and both employers can be pursued for the same violation under the joint employment provisions.

- Annual notice is required with a paycheck issued within 30 days of July 1.

Tipped Non-Exempt Employees: Non-exempt employees who receive gratuities must be paid the higher of their base hourly wage or the applicable minimum wage, without applying a tip credit.

Childcare-Related Use of Paid Sick Leave: A child's "place of care" includes formal settings, such as childcare centers, after-school programs, and summer camps, and informal caregivers, such as babysitters, family members, or friends who supervise the child while the employee works.

Paid Sick Leave Abuse: Employers may discipline misuse or abuse of paid sick leave, including patterns such as unscheduled sick leave near weekends, holidays, vacation days, or after a different leave request was denied. Discipline should rely on objective, documented patterns rather than isolated incidents.

Combined PTO Policies: Employers may use a single PTO bank instead of separate paid leave and paid sick leave banks, but the policy meets the ordinance's accrual, carryover, usage, and other requirements.

Benefit Year Administration: Employers may use different types of benefit years, including calendar year, hire-date year, fiscal year, tax year, or contract year. Written notice is required at least 14 days before a benefit year change and leave entitlements may not be reduced.

Successor Employer Obligations: When a business is sold, transferred, or assigned and an employee continues working in Chicago, accrued but unused leave generally must continue to be recognized as required by the ordinance.

Why This Matters

The revised rules clarify high-friction compliance areas that drive many Paid Leave and Paid Sick and Safe Leave disputes, including joint employment, PTO design, tipped employee pay, and accrual for overtime-heavy workforces.

Combined with the existing private right of action and the July 1, 2026, sunset of the temporary Paid Leave pre-suit waiting period, employers face increased litigation exposure when leave administration practices are not aligned with the ordinance and its rules.

Additional Information

Certification may be required when an employee uses paid sick leave for three or more consecutive scheduled workdays. Pay for non-exempt employees is generally calculated using the average wage for hours worked during the prior 90 days.

- Disciplining employees based on isolated incidents of paid sick leave use, rather than objective, documented patterns, may support retaliation or interference claims, which carry the same damages multiplier and attorney's fee exposure.
- In business sales or transfers, failing to recognize accrued but unused leave may expose both the original and successor employer to the ordinance's damages and penalty structure.

Source References

- City of Chicago Rules - Chicago Paid Leave and Paid Sick and Safe Leave Rules (May 15, 2026)

State Legal Update

Chicago Ends Pre-Suit Waiting Period for Paid Leave

Beginning July 1, 2026, the temporary pre-suit waiting period under Chicago's Paid Leave and Paid Sick and Safe Leave Ordinance will sunset automatically, allowing covered employees to file private lawsuits for Paid Leave violations without first satisfying the statutory waiting requirement.

Under Chicago Municipal Code Section 6-130-100, the waiting period had temporarily required covered employees to wait until the next regular payday or 16 days after the alleged violation, whichever was shorter, before filing a private action for a Paid Leave claim.

This update applies to employers with one or more covered employees working in Chicago under the Paid Leave and Paid Sick and Safe Leave Ordinance and takes effect on July 1, 2026.

Overview

What Changes on July 1, 2026

- The temporary pre-suit waiting period sunsets automatically, allowing covered employees to file Paid Leave private actions immediately — without waiting until the next regular payday or 16 days after the alleged violation.

Who is Covered

- The ordinance applies to employers with covered employees working in Chicago. A covered employee is an employee who works at least 80 hours for an employer within any 120-day period while physically present within Chicago. Once the employee meets that threshold, they remain covered for the rest of their employment with that employer.

Damages and Penalties

- Employees may recover three times the full amount of leave denied or lost, plus interest, costs, and reasonable attorney's fees.
- City fines run between $1,000 and $3,000 per offense, with each day of a continuing violation treated as a separate offense.

Why This Matters

Chicago employers will face faster private litigation exposure for alleged Paid Leave violations beginning July 1, 2026.

The temporary waiting period gave employers a short window before a civil action could be filed; once it sunsets, employees may proceed immediately, and damages can reach three times the leave denied or lost plus interest, costs, and reasonable attorney's fees.

What Employers Need to Do

- Review Chicago paid leave policies to confirm that accrual, use, payment, and payout rules are applied correctly, as employees may file Paid Leave private actions without a pre-suit waiting period beginning July 1, 2026.
- Confirm payroll and leave administration practices are operating as intended, given the increased litigation exposure under the ordinance.
- Confirm required notices are posted and provided with the first paycheck and annually within 30 days of July 1.
- Review joint-employment, staffing agency, and Professional Employer Organization (PEO) arrangements, because the 2026 rules clarify that joint employers may share compliance responsibility.

Key Risks for Employers

- **Faster Private Litigation Exposure:** Employees may file Paid Leave private actions immediately, with no statutory waiting period.
- **Damages Multiplier:** Successful claims allow recovery of three times the leave denied or lost, plus interest, costs, and attorney's fees.
- **Continuing-violation Penalty Exposure:** City fines run $1,000–$3,000 per offense, with each day of a continuing violation counting separately.
- **Joint-employer Compliance Gaps:** Staffing agency, PEO, and similar arrangements may face shared exposure under the 2026 joint-employer rules.

Source References

- Chicago Municipal Code Section 6-130-100 - Private Cause of Action
- Chicago Paid Leave and Paid Sick Leave Ordinance Goes into Effect (VensureHR)

State Legal Update

Louisiana Voluntary Paid Leave Insurance Law

On June 8, 2026, Louisiana enacted House Bill (HB) 591, creating the Paid Family Leave Insurance Act, a voluntary framework that allows insurers to offer wage-replacement family leave benefits to Louisiana employers who opt in.

The law does not require employers to provide paid family leave or contribute to a state-run program, and it does not create new job-protected leave rights.

This update applies to Louisiana employers considering optional paid family leave insurance benefits and takes effect on June 8, 2026.

Overview

Employer Obligations: No mandate to provide paid family leave, no payroll taxes, and no required employer contributions. Participation is voluntary regardless of employer size or industry.

Optional Employer Participation: Employers may purchase insurance policies covering employee-paid family leave. Policies operate similarly to other employer-sponsored insurance benefits, such as disability coverage.

Minimum Standards if Coverage is Offered

- Policies must meet statutory requirements, including a minimum benefit level of at least two weeks of benefits within a 52-week period.
- Covered leave reasons generally align with federal unpaid leave standards, including family care, bonding, and military-related needs.
- Policies may include waiting periods, offsets, and defined benefit calculations if compliant with the Act.

Scope and Limitations: The law does not create new job-protected leave rights and does not alter existing federal or state leave entitlements.

Enforcement and Oversight: Regulated through insurer oversight by the Louisiana Department of Insurance. No new employer notice, posting, or recordkeeping requirements apply.

Why This Matters

This law gives Louisiana employers a new optional benefit tool without creating any new mandates: no payroll taxes, no required participation, and no changes to existing leave programs. Employers that choose to offer coverage may use it as an additional employee benefit but should coordinate the insurance coverage with existing leave programs and payroll administration.

Employers who opt in can enhance recruitment and retention through wage-replacement family leave coverage but must coordinate the insurance benefits with existing leave programs and payroll systems.

What Employers Need to Do

- Employers may evaluate whether voluntary paid family leave insurance aligns with their benefits strategy; participation is not required.
- If opting in, review policies from licensed insurers to confirm they meet statutory minimum standards (including at least two weeks of benefits within a 52-week period).
- Align leave policies with any purchased insurance benefits and coordinate administration with existing federal and state leave programs.
- Communicate eligibility and claims processes clearly to employees.
- Ensure individuals responsible for benefit administration understand any voluntary paid family leave coverage offered by the organization.

Key Risks for Employers

- **Overreacting to the Law:** Treating the law as mandatory could lead to unnecessary costs, policy changes, or vendor selection where none is required.
- **Selecting Non-compliant Policies:** Employers that opt in and purchase policies not meeting the Act's statutory minimum standards may face gaps in coverage or reputational risk.
- **Coordination with Existing Leave Programs:** Insurance benefits that are not properly coordinated with federal (FMLA) or state leave programs may create administrative conflicts, overlapping benefit periods, or inconsistent employee experience.
- **Employee Confusion About Coverage:** Unclear communication may lead to benefits disputes or employee confusion.

Source References

- LA HB591 - Creates the Paid Family Leave Insurance Act

Nebraska Enacts Health Care Staffing Agency Law

On April 14, 2026, Governor Jim Pillen signed Legislative Bill 921 (LB 921) into law, which, among other provisions, created the Health Care Staffing Agency Registration Act.

This communication focuses on the healthcare staffing agency provisions, which require annual registration with the Nebraska Department of Labor (NDOL), ban noncompete clauses in contracts with workers and healthcare entities, and restrict most conversion or hire-away fees.

This update applies to healthcare staffing agencies and healthcare technology platforms operating in Nebraska. The law takes effect July 1, 2027.

Overview

Registration and Scope

- All healthcare staffing agencies operating in Nebraska must register annually with the NDOL and pay a $1,500 fee per physical location, or a single $1,500 statewide fee if the agency has no physical location in Nebraska.
- The law covers traditional staffing agencies and healthcare technology platforms (internet or app-based marketplaces where workers select open shifts).
- Excludes physicians, surgeons, osteopathic physicians, and nurse practitioners in independent practice.
- Renewal applications must be filed at least 60 days before expiration. The NDOL will maintain a public database of registered agencies on its website.

Compliance Requirements

- Agencies must ensure and document that each worker meets all applicable federal and state licensing, certification, registration, and healthcare requirements.
- Records must be produced to the NDOL within 14 days of request, and platforms must make records accessible to workers.
- Insurance minimums include professional and general liability coverage of $1 million per occurrence and $3 million aggregate. Agencies must also maintain workers' compensation coverage, self-insurance, or occupational accident coverage.
- Agencies ceasing operations must notify the NDOL and maintain all files and records for two years.

Prohibited Contract Terms

- Noncompete clauses are void in any contract with a worker or a healthcare entity.

What Employers Need to Do

- Determine whether the organization qualifies as a healthcare staffing agency or healthcare technology platform under the Act and prepare for annual NDOL registration.
- Review and restructure existing contracts with workers and healthcare facilities to eliminate noncompete clauses and prohibited conversion/hire-away fee provisions before July 1, 2027.
- Verify and document that each worker meets all applicable licensing, certification, registration, and healthcare requirements, and establish systems to produce records to the NDOL within 14 days of request.
- Secure required insurance coverage: professional and general liability at $1 million per occurrence / $3 million aggregate, and confirm workers' compensation coverage, self-insurance, or occupational accident coverage is in place.

Key Risks for Employers

- **Operating without registration after July 1, 2027:** Agencies that fail to register face civil penalties of up to $500 for a first offense and $5,000 for subsequent offenses, plus possible registration revocation for up to one calendar year — with new applications barred during that period, including for entities under substantially common ownership or management.
- **Maintaining prohibited contract terms:** Noncompete clauses and most conversion or hire-away fees are void under the Act. Enforcement may result in civil penalties (up to $500 first offense / $5,000 subsequent offenses) and possible registration revocation.
- **Failing to meet credentialing and records obligations:** Records must be producible to the NDOL within 14 days of request, and the Commissioner may conduct random audits with at least three business days' notice. Non-compliance may result in civil penalties and possible registration revocation.

- **Conversion or hire-away fees are banned:** agencies cannot require payment of liquidated damages, employment fees, or other compensation if a worker is permanently hired by the facility, except in two (2) narrow cases:
  - (i) Payments reduced pro rata per hour worked, reaching zero at 720 hours, or
  - (ii) Payments by a foreign worker whom the agency assisted in obtaining U.S. work authorization, with an initial assignment of at least 24 months.

Enforcement

- Civil penalty of up to $500 (first offense) and $5,000 (subsequent offenses).
- Registration may be revoked for up to one calendar year, barring new applications during the revocation period. Entities with substantially common ownership or management are also barred.
- The Commissioner may investigate complaints, conduct random audits (with at least three business days' notice), and subpoena witnesses and records. Appeals must be filed within 20 days of a denial or citation.

Why This Matters

Nebraska now regulates healthcare staffing agencies through a mandatory registration framework that includes significant contract restrictions, including bans on noncompete clauses and most conversion or hire-away fees.

Agencies that rely on these contract terms as part of their business model will need to restructure agreements before July 1, 2027.

The Act also extends to healthcare technology platforms, meaning modern app-based staffing models are in scope alongside traditional agencies.

- **Common-ownership revocation reach:** When a registration is revoked, entities with substantially common ownership or management are also barred from new applications during the revocation period — meaning a single agency's non-compliance can affect affiliated agencies operating in Nebraska.

Source References

- Nebraska LB 921 - Adopt the Nebraska Worker Adjustment and Retraining Notification Act and Others

State Legal Update

Nebraska Enacts State WARN Act with 90-Day Notice

On April 14, 2026, Governor Jim Pillen signed Legislative Bill 921 (LB 921) into law, creating the Nebraska Worker Adjustment and Retraining Notification (WARN) Act, the Health Care Staffing Agency Registration Act, and several additional employment-related reforms.

This communication focuses on the WARN Act provisions, which require employers with 100 or more employees (excluding part-time) to provide 90 days' written advance notice of mass layoffs or business closings, 30 days more than the federal WARN Act's 60-day requirement.

This update applies to Nebraska employers covered by the new WARN Act, effective July 18, 2026.

Overview

90-Day Notice Requirement

- Employers with 100 or more employees (excluding part-time) must provide 90 days' advance written notice before a business closing or mass layoff affecting 100 or more employees at a single site.
- Notice must go to affected employees (or their union representatives) and the Nebraska Department of Labor (NDOL). If a collective bargaining agreement (CBA) designates a different notice period, the CBA governs.
- Part-time employees - those averaging fewer than 20 hours per week or employed fewer than six (6) of the preceding 12 months - are excluded from the threshold calculation but are entitled to receive notice when affected.

Expanded Notice Content Requirements

- Must include: (1) worksite name and address, (2) a company contact, (3) whether the action is permanent or temporary, (4) the expected date, (5) schedule of losses, job titles and names of affected employees, and (6) copies of all employee handbooks, personnel policies, and employment-related policies or a statement identifying where they can be accessed online.
- Notice to the NDOL must also include the addresses of affected employees. The NDOL must keep those addresses confidential.
- Notice must be posted conspicuously at the worksite in every language spoken by at least five percent (5%) of the workforce.

What Employers Need to Do

- Assess whether the organization meets the 100-employee threshold (excluding part-time) and develop internal protocols to comply with the 90-day notice requirement for mass layoffs or business closings.
- Review existing workforce reduction tracking processes to ensure employment losses occurring within any 90-day period can be evaluated under the aggregation rule.
- Prepare notice content that meets Nebraska's uniquely expansive requirements, including copies of all employee handbooks and employment-related policies, or a statement identifying where they can be accessed online.
- Ensure notices can be posted at the worksite in every language spoken by at least five percent (5%) of the workforce, and delivery methods are designed to ensure receipt at least 90 days before the planned action.
- Evaluate whether existing federal WARN compliance procedures are sufficient, because Nebraska's law has distinct thresholds, content requirements, aggregation rules, and enforcement mechanisms that go beyond the federal standard.

Key Risks for Employers

- Nebraska's 90-day notice period, expanded notice content, and aggregation rules go beyond federal requirements, and employers must comply with both independently.
- The requirement to include copies of all employee handbooks and employment-related policies means employers need documentation systems ready before a triggering event occurs.
- Serial smaller reductions within any 90-day period may trigger notice requirements unless the employer can demonstrate the losses resulted from separate and distinct actions and causes.

State Legal Update

Aggregation Rule

- Employers must aggregate employment losses within any 90-day period to determine if notice is triggered, unless they demonstrate the losses resulted from "separate and distinct actions and causes." This is intended to capture related employment losses occurring within a 90-day period that otherwise might not independently trigger notice requirements.

Three Narrow Exceptions (Reduced Notice)

1. Faltering company (business closings only): the employer was actively seeking capital or business and reasonably believed notice would have prevented obtaining it.
2. Unforeseeable business circumstances: sudden, dramatic, and unexpected events outside the employer's control.
3. Natural disasters: must be a direct result of floods, earthquakes, droughts, storms, tornadoes, or similar natural events.

- All three (3) exceptions require a contemporaneous written statement explaining the reduced notice period and are to be narrowly construed.

Pay in Lieu of Notice: The 90-day notice period may be reduced by the number of days for which the employer pays severance or wages in lieu of notice, provided the payment equals at least the regular pay the employee would have earned.

Sale of Business: The seller is responsible for notifying and including the date of sale; the buyer is responsible after closing.

Labor Dispute Carve-Outs: Bona fide strikes, non-evasive lockouts, and temporary strike replacements terminated at the end of a dispute do not trigger notice requirements.

Enforcement

- The NDOL enforces exclusively through an administrative penalty model: civil penalty of up to $100 per day per violation.
- There is no private right of action, and courts cannot enjoin a closing or layoff under the Act.

Why This Matters

Nebraska now has its own state-level WARN Act with a 90-day notice requirement (30 days longer than the federal standard) and expanded notice content requirements that include providing copies of employee handbooks and employment-related policies.

Employers that already comply with federal WARN cannot assume that is sufficient; the Nebraska law has distinct thresholds, content requirements, aggregation rules, and enforcement mechanisms.

- Notices must be posted at the worksite in every language spoken by at least five percent (5%) of the workforce, which may require advance translation planning.
- Part-time employees are excluded from the 100-employee threshold but are still entitled to receive notice when affected by a mass layoff or closing.

Source References

- Nebraska LB 921 - Adopt the Nebraska Worker Adjustment and Retraining Notification Act and Others
- Nebraska DOL - WARN Listing Page

State Legal Update

Nebraska Lowers Language Access Threshold to Five Percent (5%)

On April 14, 2026, Governor Jim Pillen signed Legislative Bill 921 (LB 921) into law, which, among other provisions, amended the Non-English-Speaking Workers Protection Act to lower the workplace language access threshold from more than ten percent (10%) to more than five percent (5%) of employees speaking the same non-English language.

This change expands the number of employers required to provide interpreters and referral agents at the worksite.

This update applies to Nebraska employers subject to the Non-English-Speaking Workers Protection Act, effective July 18, 2026.

Overview

- The Non-English-Speaking Workers Protection Act previously required language access measures when more than ten percent (10%) of employees spoke the same non-English language. LB 921 lowers that threshold to more than five percent (5%).
- Covered employers must provide an interpreter at the worksite for each shift during which a non-English-speaking employee is employed. For Spanish-speaking employees, the interpreter must be selected from a list approved by the Commissioner. For other languages, the employer must provide a capable interpreter.
- Covered employers must also employ a referral agent to connect non-English-speaking employees to community services. The referral agent's name must be posted at the worksite in the employees' language.

Why This Matters

Lowering the threshold from ten percent (10%) to five percent (5%) brings significantly more Nebraska employers into scope.

Employers that were previously below the trigger may now have language access obligations for the first time, and the July 18, 2026, compliance deadline leaves a limited window to assess workforce composition and arrange interpreter and referral agent services.

What Employers Need to Do

- Assess current workforce demographics to determine whether more than five percent (5%) of employees speak the same non-English language, which would now trigger language access obligations.
- Arrange for an interpreter to be available at the worksite for each shift during which a non-English-speaking employee works. Spanish interpreters must come from a commissioner-approved list; interpreters for other languages must be capable.
- Employ a referral agent to connect non-English-speaking employees to community services and post the agent's name at the worksite in the employees' language.

Key Risks for Employers

- Non-compliance with the interpreter and referral agent requirements is a Class IV misdemeanor under Nebraska law, punishable by a fine of up to $500 per violation.
- Aggrieved non-English-speaking employees may file suit in Nebraska district court, exposing employers to litigation risk independent of state enforcement.
- If a court finds the employer intentionally violated the requirements, it may award damages up to an amount equal to the original damages, effectively doubling the employee's recovery, in addition to injunctive relief.
- Employers that were previously below the 10% threshold but now fall under the 5% trigger have limited time to arrange interpreter and referral agent services before the July 18, 2026 effective date, exposing them to the above consequences from day one.

Source References

- Nebraska LB 921 - Adopt the Nebraska Worker Adjustment and Retraining Notification Act and Others

State Legal Update

New York Amends Employment Credit History Law

On February 13, 2026, New York enacted Senate Bill 8789 (S8789) as Chapter 71, amending the state's General Business Law provisions restricting the use of consumer credit history for employment purposes.

S8789 is a chapter amendment to the underlying law (S3072/Chapter 681, signed December 19, 2025) that adds a definition of "employer," modifies an exemption for positions subject to state agency background investigations, and repeals a provision from the earlier law.

This update applies to New York employers, labor organizations, employment agencies, and their agents, including the state and its political subdivisions. Both the underlying law and S8789 took effect on April 18, 2026.

Overview

What S8789 Does

- Adds a definition of "employer" to Section 380-a of the General Business Law. An "employer" means any individual, partnership, corporation, or association engaged in a business that has employees, including the state and its political subdivisions.
- Modifies an exemption for positions subject to background investigation by a state agency, removing language that would have limited the exemption to appointed positions involving a high degree of public trust.
- Repeals Section 3 of Chapter 681 of 2025 as a technical cleanup.

The Underlying Law (S3072/Chapter 681)

- Prohibits an employer, labor organization, employment agency, or agent from requesting or using consumer credit history for employment purposes involving applicants or employees.
- Covers employment decisions including hiring, compensation, promotion, demotion, retention, and other terms or conditions of employment.
- Defines "consumer credit history" broadly to include credit worthiness, credit standing, credit capacity, and payment history reflected in a consumer credit report, credit score, or information obtained directly from the individual, including credit accounts, late or missed payments, debts, collections, credit limits, prior credit inquiries, bankruptcies, judgments, or liens.

Limited Exemptions

- Positions where credit history use is required by state or federal law.

What Employers Need to Do

- Review background check and employment screening practices to confirm that consumer credit history is not being requested or used for employment decisions unless a statutory exemption applies.
- Update vendor instructions and consumer reporting agency arrangements, as background screening companies generally may not provide credit history information for employment purposes unless an exemption applies.
- Document the basis for any position where credit history use is claimed under an exemption, including position-specific justification such as bonding requirements, security clearance, or regular access to trade secrets or sensitive financial authority.
- Train hiring managers, HR staff, and any personnel involved in employment decisions on the statewide restriction and the limited exemptions.

Key Risks for Employers

- **Continuing to Use Credit History Without an Exemption:** Requesting or using consumer credit history for hiring, compensation, promotion, or other employment decisions may violate the law unless a specific statutory exemption applies.
- **Vendor and Consumer Reporting Agency Exposure:** Background screening companies generally may not provide credit history information for employment purposes without an exemption, and employers relying on outdated vendor practices could face compliance gaps.
- **Improperly Claimed Exemptions:** Failing to document position-specific justification for exempt roles could undermine reliance on the exemption if the practice is challenged.
- **Public-sector Coverage:** State and political subdivision employers are expressly included within the definition of employer, reinforcing that public employers are subject to the restriction.

- Certain law enforcement or investigative roles.
- Positions requiring bonding under state or federal law.
- Positions requiring security clearance.
- Certain non-clerical roles involving regular access to trade secrets or sensitive financial authority.
- Positions subject to background investigation by a state agency (as modified by S8789).

Why This Matters

This amendment clarifies who counts as an "employer" under New York's new statewide restriction on the use of consumer credit history in employment decisions, including public-sector employers. The statewide restrictions already apply to S3072/Chapter 681. S8789 clarifies certain aspects of that framework, including employer coverage and exemption language. While S8789 is primarily a clarifying amendment, employers should evaluate hiring, promotion, and other employment practices to ensure compliance with the statewide restrictions that took effect on April 18, 2026.

Additional Information

New York City has long restricted employment credit checks under its Human Rights Law. The statewide restrictions were established under S3072/Chapter 681 and took effect on April 18, 2026. S8789 provides clarifying amendments to that law, including the addition of a definition of "employer" and revisions to certain exemptions. Employers with operations both inside and outside New York City should confirm that policies address both the city and state requirements.

Source References

- New York - SB 8789 - Prohibits the use of consumer credit history in hiring, employment and licensing determinations

State Legal Update

Oregon Court Says Asking for a Raise Is Protected

On April 1, 2026, the Oregon Court of Appeals held in Mirkovic v. Tenasys Corp., Case No. A185106, that an employee's request for a raise is protected activity under Oregon Revised Statutes (ORS) ORS 659A.355.

The court ruled that the statute's wage-discussion protections are not limited to coworker pay conversations or pay-equity complaints but also cover direct employee-to-employer wage discussions, including requests for a raise.

This update applies to Oregon employers, and the case was sent back to the trial court for further proceedings.

Overview

What the Court Held

- The court held that ORS 659A.355 protects an employee who has "inquired about, discussed, or disclosed in any manner the wages of the employee or of another employee." The court concluded that this language plainly includes an employee asking about their own pay, including a request for a wage increase.
- The court rejected two narrow readings advanced by the employer:
  - That the law applies only to wage discussions among coworkers.
  - That the law applies only where there is a pay-equity or protected-class discrimination issue.
- The court said the statute's only express limitation is in subsection (2), which addresses certain unauthorized disclosures of other employees' wage information by employees who have access to that information as part of their job. That limitation did not apply here.

The Facts

- The employee, a software engineer, asked for a promotion and salary increase, later requested an additional $5,000 and future consideration for a director-level role, and was terminated a few days later. She alleged the termination was retaliation for her wage inquiry.

Why the Trial Court Was Reversed

- The trial court had relied on O'Donnell v. Ameresco, Inc., a 2024 federal district court case, and treated ORS 659A.355 as applying only when there was a discrimination-related pay inequity issue.
- The Court of Appeals rejected that approach, explaining that O'Donnell involved a different type of claim, a common law wrongful discharge claim, not a statutory retaliation claim under ORS 659A.355. The court also noted that federal court interpretations of Oregon statutes are not binding on Oregon courts.

What Employers Need to Do

- Train supervisors and managers to treat raise requests and salary negotiations as potentially protected activity under ORS 659A.355, regardless of whether the request involves a pay-equity or discrimination concern.
- Review documentation and decision-making processes around discipline and termination to ensure that actions taken close in time to a compensation request are supported by clear, independent reasons.
- Ensure that denials of raise requests are communicated professionally and documented, because the court confirmed that denying a raise is lawful, the risk arises only if the employer retaliates because the employee made the request.
- Establish a consistent internal process for handling raise requests, including who reviews them and how decisions are communicated, so that outcomes are based on documented business criteria rather than individual manager discretion.

Key Risks for Employers

- **Treating Raise Requests as Unprotected:** After this ruling, any direct employee-to-employer wage discussion, including asking for a raise, can be the basis for a retaliation claim if an adverse action follows.
- **Adverse Actions Close in Time to a Pay Request:** Terminations, demotions, or other negative actions taken shortly after an employee asks for a raise may create an inference of retaliation, even if the employer had independent reasons.
- **Supervisor misunderstanding of the law's scope:** The statute does not require a pay-equity complaint or a discrimination allegation to trigger protection; a simple raise request is enough.
- **Inconsistent handling of raise requests across managers:** Without a uniform process, differences in how managers respond to similar requests could support a retaliation claim.

Legislative History Supported Broader Reading

- Although the court said the statutory text was already clear, it also reviewed the legislative history of House Bill 2007 (2015). That history included statements confirming the law was intended to protect not just coworker wage discussions but also employee-to-employer wage discussions, including asking for a raise.

Important Limitation

- The court made clear that an employer does not violate the statute merely by denying a raise request. The legal problem is retaliation: discharging, demoting, suspending, or otherwise disadvantaging an employee for asking for a raise.

Why This Matters

This ruling confirms that ORS 659A.355 extends beyond discussions of coworker pay. Routine compensation conversations, including raise requests, can support a retaliation claim if followed by an adverse action.

For employers, the practical impact is that timing, documentation, and decision-making around discipline or termination after a raise request carry heightened legal risk.

Source References

- Oregon State Court - A185106, Opinion - Mirkovic v. Tenasys Corp.

State Legal Update

Tennessee Bans AI Posing as Licensed Therapists

On April 1, 2026, Tennessee enacted Senate Bill (SB) 1580 as Public Chapter No. 647, prohibiting any person who develops or deploys an artificial intelligence (AI) system from advertising or representing to the public that the AI system is, or can act as, a qualified mental health professional.

The law creates a new section under Tennessee Code Annotated § 33-1-205 and treats violations as unfair or deceptive acts or practices under the Tennessee Consumer Protection Act of 1977, subject to a $5,000 civil penalty per violation and enforceable through a private right of action.

This update applies to persons and businesses that develop or deploy AI systems in Tennessee, including those that offer market, or make available, AI-enabled mental health tools effective July 1, 2026.

Overview

What the Law Prohibits

- A person who develops or deploys an AI system may not advertise or represent to the public that the AI system is, or can act as, a qualified mental health professional.
- The law does not ban the use of AI in mental health settings. Licensed mental health professionals may still use AI as a tool; the restriction targets misleading public representations about what AI can do.

Key Definitions

- Artificial intelligence (AI): Models and systems capable of performing functions generally associated with human intelligence, including reasoning and learning.
- Qualified mental health professional: SB 1580 relies on existing Tennessee law definition that includes various licensed mental health professionals, such as psychiatrists, psychologists, licensed social workers, marital and family therapists, psychiatric nurses, and professional counselors.

Enforcement and Penalties

- Violations are treated as violations of the Tennessee Consumer Protection Act of 1977 and as unfair or deceptive acts or practices affecting trade or commerce.
- Civil penalty of $5,000 per violation, notwithstanding the general civil penalty limits under the Tennessee Consumer Protection Act.
- Private right of action available. Remedies may include damages, restraining orders, and injunctions.

Why This Matters

This law establishes a clear consumer-protection line for AI in mental health: while AI tools may be developed and used, they cannot be marketed or represented as licensed or qualified mental health professionals.

What Employers Need to Do

- Review Employee Assistance Program (EAP), wellness vendor, and mental health benefit vendor communications to confirm that AI-enabled tools are not being marketed or represented to employees as qualified mental health professionals.
- Update internal communications, benefit descriptions, and vendor materials to make clear that AI tools may support, but do not replace qualified mental health professionals.
- Coordinate with vendors and any internal teams involved with AI-based mental health tools to ensure public-facing descriptions and marketing materials comply with the law before July 1, 2026.
- Train Human Resources (HR), benefits, and communications teams on the distinction between AI tools that support mental health care and AI tools represented as substitutes for licensed professionals, so internal messaging and vendor selection stay aligned with the law.

Key Risks for Employers

- EAP, wellness, or mental health benefit vendors that market AI tools as replacements for licensed professionals may create compliance risk for employers that provide or deploy those tools.
- Internal or employee-facing communications describing AI tools as substitutes for licensed mental health professionals may create compliance concerns under the law.
- Employees or members of the public may bring lawsuits independently of state enforcement, expanding potential exposure beyond regulatory action.
- Because violations are treated as unfair or deceptive acts under the Tennessee Consumer Protection Act, enforcement actions could create operational and reputational risks in addition to the $5,000 per-violation penalty.

State Legal Update

Employers offering AI-enabled EAP, wellness, or mental health benefits to their workforce should confirm that vendor materials and internal communications do not cross that line, since the law reaches those who "deploy" AI systems, not just developers.

Source References

- Tennessee SB 1580 - AN ACT to amend Tennessee Code Annotated, Title 33; Title 47 and Title 63, relative to mental health

State Legal Update

Vermont Enacts Data Privacy and Online Surveillance Act

On June 16, 2026, Vermont enacted Act 145, the Vermont Data Privacy and Online Surveillance Act (S.71), establishing a comprehensive consumer data privacy framework. The law introduces broad consumer rights, data minimization requirements, consent obligations for sensitive data, and specific protections for consumer health data and teens.

The law applies to businesses that operate in Vermont or target Vermont residents and meet defined data-processing thresholds. Consumer health-data provisions apply more broadly and are not subject to the same threshold.

This update applies to covered businesses with Vermont consumer-facing operations. Data collected in a commercial or employment context is excluded. The law takes effect on January 1, 2028.

Overview

Who is Covered

- The law applies to a person that does business in Vermont or targets products or services to Vermont residents and, during the prior calendar year, met one of these thresholds: controlled or processed personal data of 35,000 or more consumers; controlled or processed sensitive data of 3,000 or more consumers; or offered for sale the personal data of 3,000 or more consumers.
- The consumer health data provisions apply more broadly to any person doing business in Vermont or targeting Vermont residents.
- A "consumer" is a Vermont resident but does not include a person acting in a commercial or employment context.

Consumer Rights

- Consumers have the right to access, correct, delete, and obtain a portable copy of their personal data. They may also opt out of targeted advertising, data sales, and certain profiling tied to decisions. Consumers can request a list of third parties that received their data and, for qualifying profiling decisions, may challenge results, review underlying data, and request reevaluation (including for housing-related decisions).
- Controllers must respond within 45 days, with a 45-day extension when reasonably necessary, and provide an appeals process for denied requests.

What Employers Need to Do

- Determine whether the business meets applicability thresholds.
- Identify consumer-facing data practices that may fall within scope, including data collection through websites, apps, marketing activities, and any handling of consumer health data, which is subject to broader applicability than the general thresholds.
- Update privacy notices to meet Vermont's specific disclosure requirements, including categories of data collected, processing purposes, third-party disclosures, opt-out methods, and any use of personal data for automated decision-making or model training.
- Implement processes for consumer rights requests (access, correction, deletion, portability, and opt-out) within the required timelines, including managing permitted extensions.
- Conduct data protection assessments for high-risk processing activities, including targeted advertising, sale of personal data, certain profiling, and processing of sensitive data, and conduct separate impact assessments for profiling used in decisions with legal or similarly significant effects.

Key Risks for Employers

- **Assuming the Law Does Not Apply Because of Employment-data Exclusions:** Personal data collected from individuals acting in commercial or employment contexts is not covered, but consumer-facing data such as customer accounts, website tracking, marketing databases, and health-related information, may still bring the business into scope.

State Legal Update

Core Controller Duties

- Limit collection of personal data to what is reasonably necessary and proportionate. Obtain consent before using data for a new purpose, or processing or selling sensitive data.
- Maintain reasonable security practices, honor consent revocations within 15 days, and avoid discriminating against consumers for exercising their rights.

Teen Data Protections: If a controller has actual knowledge, or willfully disregards, that a consumer is between the ages of 13 and 17, the controller may not process that individual's data for targeted advertising or sell it.

Privacy Notices, Opt-Outs, and Assessments

- Privacy notices must clearly describe categories of data processed, purposes, consumer rights, appeals processes, sales practices, and opt-out methods. Notices must also disclose whether personal data is used for automated decision-making or model training and include the most recent update date.
- Controllers must conduct and document a data protection assessment for high-risk activities, including targeted advertising, sale of personal data, certain profiling, and processing of sensitive data, and a separate impact assessment for profiling tied to decisions with legal or similarly significant effects.

Consumer Health Data Rules: Access to consumer health data must be limited to authorized personnel subject to confidentiality obligations. The law prohibits geofencing within 1,850 feet of a healthcare facility and restricts the sale of consumer health data without consent.

Enforcement: Violations of the Vermont Consumer Protection Act are enforced by the Attorney General, with no private right of action. From January 1, 2028, through June 30, 2029, businesses must be given notice and a 60-day cure opportunity to cure violations where possible. This cure period ends on June 30, 2029.

Why This Matters

Vermont's law is one of the most comprehensive state consumer privacy frameworks to date, with broad consumer rights, strong data minimization duties, and stand-alone protections for consumer health data and teen data. The 35,000-consumer threshold is relatively low, and the consumer health data provisions, including the 1,850-foot geofence restriction near health care facilities, apply more broadly than the general thresholds.

- **Falling Within Consumer Health Data Scope Unexpectedly:** The consumer health data provisions extend beyond standard applicability thresholds and may impact marketing, mobile apps, and location-based services, especially due to the 1,850-foot geofencing restriction near healthcare facilities.
- **Failing to Obtain Consent Before Processing or Selling Sensitive Data:** Consent is required for both processing and selling sensitive data, and Vermont's definition of sensitive data is broad.
- **Targeted Advertising and Sale of Teen Data:** Controllers with actual knowledge, or willful disregard, that a consumer is at least 13 but younger than 18 may not process that data for targeted advertising or sell it.
- **Overlooking Data Protection and Impact Assessment Requirements:** Heightened-risk activities, including profiling that affects employment, housing, insurance, lending, or other significant areas, require documented assessments before processing begins.

Source References

- Vermont SB 71 - An act relating to consumer data privacy and online surveillance

State Legal Update

Virginia Expands Benefits for Locked-Out Workers

On April 13, 2026, the Virginia Governor signed Senate Bill (SB) 433, amending Virginia's unemployment insurance law to create an exception to the labor dispute disqualification when a worker is unemployed due to an employer lockout rather than a strike.

Under prior law, many labor-dispute-related work stoppages could disqualify workers from unemployment benefits; SB 433 changes that treatment for lockouts, meaning locked-out workers may qualify for benefits during a labor dispute.

This update applies to Virginia employers subject to state unemployment insurance requirements and takes effect on July 1, 2026.

Overview

What Changed: SB 433 amends Virginia's unemployment insurance law to create an exception to the labor dispute disqualification when a worker is unemployed due to an employer lockout rather than a strike. Previously, many labor-dispute-related work stoppages could disqualify workers from benefits.

Who is Covered: The statute applies broadly under Virginia unemployment insurance law, which covers private-sector employers subject to state UI requirements and certain other covered employers under Virginia law (such as some public employers, depending on program coverage).

Key Definitions

- A lockout occurs when an employer prevents employees from working during a labor dispute.
- A strike is when employees voluntarily stop working.

Impact on Eligibility: Workers who are unemployed due to a lockout may be eligible for unemployment benefits if they otherwise meet the applicable unemployment insurance eligibility requirements.

Administration and Enforcement: Additional guidance regarding claims administration and documentation requirements may be issued by the Virginia Employment Commission.

Why This Matters

SB 433 shifts how unemployment insurance interacts with employer lockouts, meaning lockouts now carry direct unemployment insurance cost implications and can raise experience ratings if more claims are approved. Employers should reassess their negotiation strategy, ensure accurate classification of labor disputes for claims handling, and document the conduct needed to support any statutory exception.

What Employers Need to Do

- Review and update unemployment claims response procedures to accurately classify work stoppages as "lockouts" versus "strikes" for proper claims administration.
- Assess the financial and operational impact of potential unemployment claims during lockouts, including possible effects on experience-rated unemployment tax rates.
- Maintain thorough records of union communications and bargaining conduct to support any statutory exceptions the employer may need to invoke.
- Reevaluate labor strategy and negotiation planning, as employees involved in a lockout may now have access to unemployment benefits.
- Train HR, labor relations, and compliance teams on the new eligibility rules and exception criteria.

Key Risks for Employers

- **Higher Employer Contribution Rates:** Benefit eligibility during lockouts may raise experience-rated unemployment tax rates if more claims are approved.
- **Misclassification of Work Stoppages:** Incorrectly reporting a dispute as a strike instead of a lockout may lead to disputes, audits, or incorrect benefit determinations.
- **Untimely or Inaccurate Claim Responses:** Failure to respond accurately or timely to unemployment claims can result in unfavorable outcomes and preserve fewer options on appeal.

Source References

- VA SB433 - Unemployment insurance; benefit eligibility conditions, etc.

Scheduled Regulatory Changes

Scheduled Regulatory Changes

State	Original Update Link	Effective Date
Alaska	Alaska Ballot Measure 1: Draft Regulations Released for Public Comment	July 1, 2026
California	California Workplace Know Your Rights Act Effective January 1, 2026	July 1, 2026
Maine	Maine Enacts Pay Transparency Law Effective 2026	July 29, 2026
Minnesota	Reminder Minnesota: Secure Choice Retirement Launch 2026	July 1, 2026
Minnesota	Reminder For Minnesota Employers: 2026 Minimum Wage for State, Minneapolis, and St. Paul	July 1, 2026
New York	New York Retirement Mandate in 2026: What Employers Need to Know and How to Stay Compliant	July 15, 2026
Washington	Washington Aligns School Week Work Hours for 16–17 Year Olds in CTE and College Programs	July 1, 2026

Posting Updates
July 2026

Posting Updates July 2026

State	Updated Posting
Connecticut	Connecticut has updated its Discrimination Is Illegal Notice to expand protections under state law. The notice adds "status as a victim of sexual assault" and "status as a victim of trafficking in persons" as protected categories from discrimination in the workplace. The updated notice also clarifies that protections related to criminal conviction status apply specifically to state employment and licensing decisions.
District of Columbia	The District of Columbia Department of Employment Services has updated their Universal Wage Law notice. The updated notice reflects an adjustment of the minimum wage rate to $18.40/hour for employees who do not receive gratuities and $10.30/hour for employees who do receive gratuities, effective July 1, 2026. The poster revision date is July 1, 2026.
Nevada	Nevada has released several revised labor law notices effective July 2026. The Annual Daily Overtime and Annual Minimum Wage Bulletin Notices have been updated with revisions including the new July 1, 2026, effective date. The AB 307 Notice has been revised to include updated links to required training resources. Additionally, the Rules to Be Observed by Employers Notice has been updated to reflect revisions issued
Oregon	Oregon has released several updated labor law notices that become effective July 1, 2026. The most significant change is a $0.50 per hour increase to all three Oregon minimum wage rates, affecting employers in the Portland Metro Area, Standard Counties, and Nonurban Counties. The revised Minimum Wage notice also clarifies that deductions from minimum wage for uniforms, tools, and employer-required lodging are prohibited. Additionally, the Oregon Sick Time notice expands covered uses to include blood donation and adds information regarding rehire protections, limitations on doctor's note requirements, and written sick leave balance notifications. The Sexual Harassment & Domestic Violence Protections notice now expressly states that employers must maintain a written sexual harassment policy and provide a copy to each employee. Finally, the Captive Audiences notice contains minor changes. The revised Oregon Labor Posters are now available!
Oregon	The Oregon Bureau of Labor and Industries has updated their Breaks & Meals/Overtime & Paychecks notice. The updated notice reflects clarified rules for when rest breaks must occur and for duty free meal periods. The poster revision date is June 26, 2026.
Oregon	The Oregon Bureau of Labor Industries has updated their Minimum Wage notice. The updated notice reflects an adjustment to the 2026-2027 minimum wage rates. The effective date is July 1, 2026. The poster revision date is June 26, 2026.
Oregon	The Oregon Bureau of Labor and Industries has updated their Family Leave Act notice. The updated notice reflects the revised maximum annual bereavement leave allotment. The poster revision date is June 26, 2026.

Posting Updates July 2026

State	Updated Posting
Oregon	The Oregon Bureau of Labor and Industries has updated their Protections for Victims of Domestic Violence, Harassment, Sexual Assault & Stalking notice. The updated notice reflects some rewording to enhance clarity. The poster revision date is June 26, 2026.
Oregon	The Oregon Bureau of Labor Industries has updated their Sick Time notice. The updated notice reflects some rewording and clarification regarding employee notification requirements for unexpected leave. The poster revision date is June 26, 2026.
Oregon	The Oregon Bureau of Labor Industries has updated their Captive Audience notice. The updated notice reflects rewording to enhance clarity. The poster revision date is June 26, 2026.
Oregon	The Oregon Bureau of Labor Industries has updated their Equal Pay notice. The updated notice reflects a change in the effective date of the notice. The poster revision date is June 26, 2026.
Virginia	Virginia has recently updated several required workplace postings. The state's Non-Compete Law Notice has been revised to expand protections for employees and certain independent contractors by limiting the enforceability of non-compete agreements in additional circumstances. Additionally, the Workers' Compensation Notice has been updated with clearer guidance for employees and employers, revised reporting information, updated website resources, QR codes for easier access to forms, and new posting requirements for employers without a physical worksite. The New Virginia Labor Posters are now available!

Posting Updates July 2026

City	Updated Poster
Chicago, Illinois	The City of Chicago, Illinois has updated their Labor Standards notice. The updated notice reflects an adjustment of the city minimum wage to $17.05/hour for standard employers with 4 or more employees, $12.96/hour for tipped workers for employers with 4 or more employees, and $17.05/hour for youth workers and all domestic workers, effective July 1, 2026.
Chicago, Illinois	The City of Chicago, Illinois has updated their Fair Workweek notice. The updated notice reflects a change in the employee annual salary requirement to be covered by the Fair Workweek ordinance, effective July 1, 2026.