



Webinar 1 - January 28, 2026

# Labor and Employment Law Compliance and What's Ahead for 2026

## WEBINAR OUTLINE

### INTRO/SETTING THE STAGE

- What is HR Compliance?
- Why is it Important?

### 2026 COMPLIANCE CHECKLIST

### 2026 UPDATES

- New York Enacts Trapped at Work Act
- Credit Checks

### CONSIDERATIONS FOR THE UPCOMING YEAR

- ICE in the Workplace
- Artificial Intelligence

### HRtelligence TIPS

## I. INTRO/SETTING THE STAGE

### A. What is HR Compliance?

- HR compliance refers to an organization's adherence to the laws, regulations, policies, and procedures that govern employment practices, the physical workplace, and the treatment of employees.
- This covers various areas, including hiring practices, employee classifications, compensation and benefits, workplace safety, discrimination and harassment policies, employee records management, and labor relations.

### B. Why is it Important?

#### **Risk mitigation**

Compliance reduces the risk of employment-related disputes such as discrimination claims, wage and hour violations, or wrongful termination cases, and helps protect the organization from potential liabilities and legal disputes.

Compliance with labor and employment laws and regulations helps organizations avoid legal penalties, fines, and lawsuits. Non-compliance can lead to costly legal battles, damage to reputation, and negative financial consequences.

#### **Employee well-being**

Compliance ensures that employees are treated fairly and equitably, promoting a positive work environment and bolstering retention. It includes maintaining non-discriminatory practices, providing safe working conditions, and upholding labor rights.

#### **Reputation and trust**

Organizations that prioritize HR compliance demonstrate their commitment to ethical and responsible business practices. This enhances their reputation among employees, customers, investors, and the public. It can attract and retain top talent and lead to improved performance and competitiveness.

## II. COMPLIANCE CHECKLIST

### A. Updated minimum wage and salary threshold

On January 1, 2026, the minimum wage will increase to \$17.00 per hour for employees located in New York City, Long Island, and Westchester County, and to \$16.00 per hour for employees in the remainder of New York State.

Beginning on January 1, 2027, increases to the minimum wage rates will be based on inflation using a three-year average of the Consumer Price Index for Urban Wage Earners and Clerical Workers ("CPI-W"). The State labor commissioner is directed to publish the

adjusted minimum wage rate no later than October 1st each year, with the new rates taking effect the following January 1st.

In addition, effective January 1, 2026, the annual salary threshold for certain overtime exemptions will increase to \$66,300.00 (an increase from \$64,350.00) for employees located in New York City, Long Island and Westchester County. Employees in the rest of the state will see an increase to \$62,353.20 (an increase from \$60,405.80).

Are you displaying/posting the new minimum wage poster?

## **B. Updated Census/Jurisdictions**

What is the date of your most recent census (aka employee roster/payroll report)?

What jurisdictions are your employers located in?

Be sure to update employee census regularly.

## **C. Job Descriptions**

Importance of updating job descriptions regularly. An exemption review should be conducted to ensure compliance with the law.

## **D. 2026 Handbook Updates**

- **Have your policies been updated to reflect the end of the New York COVID-19 leave?**

New York State's paid COVID-19 leave law expired on July 31, 2025.

- **Have you distributed the handbook addendum regarding paid prenatal leave?**

January 1, 2025, New York will become the first state in the country to offer paid time off for prenatal care or any medical care related to pregnancy. Under this new policy, employers must provide up to 20 hours of paid leave during any 52-week period for employees to attend prenatal appointments or obtain health care services during or related to their pregnancy.

- **Have you updated your policies and forms to reflect the updates to NY Paid Family Leave for 2026?**

As you may be aware, New York State Paid Family Leave provides eligible employees with up to 12 weeks of job protected, paid time off to bond with a new child, care for a

family member with a serious health condition, or to assist loved ones when a family member is deployed abroad on active military service. This time can be taken all at once, or in increments of full days.

Employees taking Paid Family Leave receive 67% of their average weekly wage, up to a cap of 67% of the current New York State Average Weekly Wage (“NYSAWW”). Beginning January 1, 2026, the NYSAWW is \$1,833.63, which means the maximum weekly benefit is \$1,228.53. This is an increase of \$51.21 from the maximum weekly benefit for 2025.

Employees earning less than the current NYSAWW of \$1,833.63 will contribute less than the annual cap of \$411.91, consistent with their actual wages. Employees earning the NYSAWW of \$1,833.63 (about \$95,300 a year) or more will contribute 0.432% from their gross wages each pay period until they reach the maximum of \$411.91.

- **Have you distributed the handbook addendum regarding the increase in jury duty pay?**

The New York State Legislature and Governor Hochul amended Sections 519 and 521 of the New York Judiciary Law, to increase the daily rate of pay for jury duty in New York State, from \$40 to \$72. Effective June 8, 2025, most employers with more than 10 employees must pay their employees \$72 for the first three days of serving jury duty. The fee is paid by the State or by the employer depending on the day of service and size of employer.

Specifically, every individual who serves as a juror in the New York State Courts or the Town and Village courts is entitled to be paid at least the \$72 fee for each day that they report in person for jury service. Employers of more than 10 employees must pay jurors the jury fee of \$72 or the employee’s wage (whichever is lower) each day for the first three days of jury service. If the juror’s daily wage is less than the jury fee, then the State makes up the difference.

The State will pay the jury fee of jurors who work for employers of 10 or fewer employees if the jurors are not paid at least the jury fee of \$72 by their employers. After three days, the State pays the jury fee to jurors who are not paid at least the jury fee.

#### **E. 2026 Sexual harassment prevention training?**

When is your training planned for?

Certificates of completion should be kept on file.

#### **F. Update Tech Use Agreement**

## G. Retail Workplace Violence Prevention Policy

### III. RECENT UPDATES

#### A. NYC Earned Safe and Sick Time Act (ESSTA) Amendment

New York City has amended the New York City Earned Safe and Sick Time Act (“ESSTA”) expanding its leave entitlements to employees. The amendments go into effect on February 22, 2026.

The amendments include the following changes: (i) employers must grant an additional 32 hours of *unpaid* leave to new employees upon hire and to all employees at the beginning of each benefit year; and (ii) employers must comply with a broader range of reasons for which employees can use time under ESSTA. The amendments also codify the inclusion of paid prenatal leave that was added to the New York State Paid Sick Leave Law.

#### New York Enacts Trapped at Work Act

On December 19, 2025, Governor Kathy Hochul signed into law the “Trapped at Work Act.” The law became effective immediately.

The new law prohibits employers from requiring “employment promissory notes” as a condition of employment. “Employment promissory note” is defined as any instrument, agreement, or contract provision that requires a worker to pay the employer a sum of money if the worker leaves such employment before the passage of a stated period of time.

An “employment promissory note” includes any such instrument, agreement or contract provision which states such payment of money constitutes reimbursement for training provided to the worker by the employer or by a third party. These agreements are now deemed unconscionable, contrary to public policy, and unenforceable.

The prohibition excludes the following:

- Agreements between a worker and employer that requires repayment of payroll advances that are not related to training;
- Agreements that require the worker to pay the employer for any property it has sold or leased to the worker;
- Agreements that require educational personnel to comply with terms or conditions of sabbatical leave;
- Agreements entered into as part of a program agreed to pursuant to a collective bargaining agreement.

Employers that fail to comply with the Act can be subject to civil penalties of \$1,000–\$5,000 per violation from the New York State Department of Labor and attorneys’ fees for employees who successfully defend against enforcement of a void agreement. The law does not provide a private right of action.

New York employers should review their employment agreements and offer letters to ensure there are no training repayment provisions.

## **New York State Restricts the Use of Credit Checks for Employment Decisions**

New York State Governor Kathy Hochul has signed a law that amends the New York Fair Credit Reporting Act to prohibit employers from obtaining or using credit history for employment decisions. The law becomes effective April 18, 2026.

Specifically, the amendment makes it unlawful for an employer, labor organization, employment agency, or its agent to:

- Ask for or obtain consumer credit history for employment purposes; or
- Use such information when making decisions related to hiring, compensation, or any other terms or conditions of employment.

“Consumer credit history” is defined as “an individual’s credit worthiness, credit standing, credit capacity, or payment history, as indicated by: (1) a consumer credit report; (2) credit score; or (3) information an employer obtains directly from the individual regarding (i) details about credit accounts, including the individual’s number of credit accounts, late or missed payments, charged-off debts, items in collections, credit limit or prior credit report inquiries, or (ii) bankruptcies, judgments or liens.”

The amendment does contain certain limited exceptions when employers utilize consumer credit history. The new law does not apply to:

- Employers required by state or federal law or by a self-regulatory organization to use an individual’s consumer credit history for employment purposes;
- Persons applying for employment as peace officers, police officers, or positions with a law enforcement agency;
- Persons in a position subject to a background investigation by a state agency where the person is in an appointed position bearing a high degree of public trust;
- Persons in a position required to be bonded under state or federal law;
- Persons in a position requiring security clearance under state or federal law;
- Persons in a non-clerical position having regular access to trade secrets, intelligence information or national security information;
- Persons in a position with (a) signatory authority over third-party funds or assets valued at \$10,000 or more or (b) have a fiduciary duty or authority to enter into financial transactions valued at \$10,000 or more on behalf of the employer; or

- Persons in a position whose regular duties allow the employee to modify digital security systems.

In addition, the law restricts consumer reporting agencies from providing a consumer report containing credit-history information for employment related purposes unless a statutory exemption applies.

New York employers that use credit checks for hiring or other employment related decisions, should review their policies and procedures to ensure compliance with the new amendment.

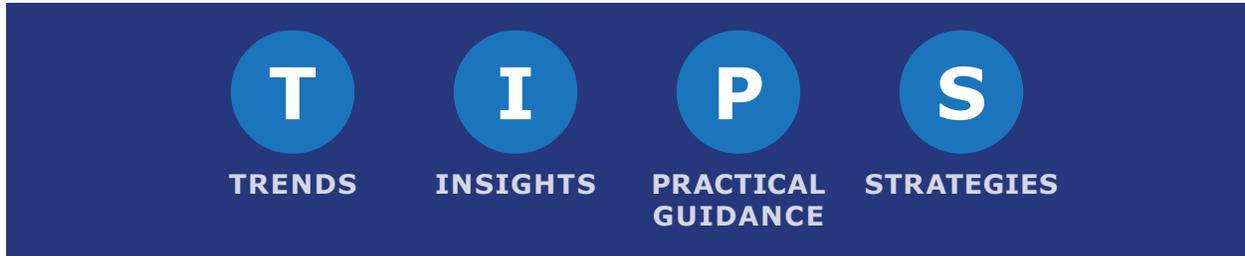
## B. CONSIDERATIONS FOR THE UPCOMING YEAR

### ICE in the Workplace

- Initial steps for employers if ICE arrives at the workplace
- If ICE agents arrive at your business, it is important to remain calm and professional and contact experienced legal counsel immediately for assistance in reviewing warrants and any other documentation.
- ICE agents are required to identify themselves and present valid credentials, including a valid *judicial* (not an *administrative*) warrant to enter nonpublic places for purposes of conducting a search or apprehension.

### Artificial Intelligence

- Risk of Discrimination Claims
- Ensuring compliance with existing employment laws
- Developing AI governance policies



Between emerging trends and ever-changing laws/regulations, it's essential for an employer to be flexible and adaptable in order to navigate unexpected challenges. Developing the proper HR policies and strategies for implementing the updates and changes is key for legal compliance.

Employers should take the following steps to meet their current obligations and prepare for the laws:

- Identify required policies based on size and location of business, classification of workers and industry.
- Update Employee Handbook yearly to incorporate recent updates.
- Be consistent in policy application

You can achieve consistency by outlining process steps in writing, keeping proper documentation, and educating managers on how these processes work.

- Stay up-to-date with legal changes

Keep up-to-date with changes in local laws and regulations that apply to your company and new rules and regulations that come into effect.

- Develop an HR compliance checklist

Using an HR compliance checklist helps ensure you don't forget anything and complete the necessary actions promptly. You can create multiple checklists for various HR processes and different geographical locations.

- Train managers and HR on compliance

Provide them with regular training on anti-discrimination laws, anti-harassment policies, and diversity practices, as well as updates on changes in laws and regulations to help mitigate risks.