Top 25 New California Employment Laws for 2026: What Employers Need to Know

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Introduction: California's legislature and regulators have introduced numerous changes affecting employers in 2026. Business owners and HR professionals must update their policies to comply with new requirements on wages, workplace notices, leave entitlements, and more. Below is an organized summary of 25 key new laws taking effect as we enter 2026, along with their official bill numbers and code section references for further detail. Each item includes the legal citation (such as an Assembly Bill "AB" or Senate Bill "SB" number, or a California code section) corresponding to the change.

1. Statewide Minimum Wage Increase (Labor Code § 1182.12)

Effective **January 1, 2026**, California's minimum wage rises to **$16.90 per hour** for **all employers**, regardless of size (pursuant to Labor Code § 1182.12). This increase was triggered by inflation under a pre-existing law. With this change, the minimum annual salary for **exempt** employees also increases to **$70,304** (calculated as twice the minimum wage for a full-time schedule). Employers should also remember that many **cities and counties** have higher local minimum wage ordinances. For example, some large municipalities will require rates above $16.90 in 2026. Always check local laws to ensure compliance with the highest applicable wage. The **white-collar exemption threshold** will similarly adjust upward in any jurisdiction with a higher local minimum wage.

2. SB 648 (2025) – Enforcement of Tip and Gratuity Protections (Labor Code § 351)

California has strengthened protections for tipped employees. **SB 648** amends *Labor Code § 351* to explicitly empower the Labor Commissioner to **investigate and cite employers for tip misappropriation** (sometimes called "tip theft"). Previously, the Labor Commissioner lacked clear authority to issue citations for unpaid gratuities. Under the new law, employers (and their agents) **must not take any portion of gratuities left for employees**, and the state can now enforce this with penalties. Employers who unlawfully withhold tips can face **civil penalties** mirroring those for minimum wage violations, such as fines of **$100 per employee per pay period** for an initial violation and **$250 per employee per pay period** for subsequent violations, **in addition to** paying back the withheld tips. Businesses that collect service charges should ensure those charges are distributed to employees as required and not kept as profit, since misclassification of a service charge that functions as a tip could also fall afoul of these rules.

3. SB 809 (2025) – Independent Contractors and Employee Business Expenses (Labor Code § 2802)

SB 809 enacts a two-pronged approach to address the ongoing issue of misclassification in the trucking industry and clarify expense reimbursement rules:

- **Construction Trucking Amnesty Program:** SB 809 establishes a **"Construction Trucking Employer Amnesty Program"** allowing certain trucking companies who **voluntarily reclassify independent owner-operator drivers as employees** to avoid penalties for past misclassification. Eligible contractors who sign settlement agreements (approved by the Labor Commissioner) to properly classify their drivers as employees will not be liable for the usual fines or civil penalties associated with prior misclassification of those drivers. This safe-harbor program is intended to encourage compliance going forward without punishing employers who promptly convert to lawful employment status.
- **Clarification of Vehicle Expense Reimbursement:** The bill also clarifies that an employer's duty to reimburse business expenses under *Labor Code § 2802* **explicitly includes an employee's use of a personal vehicle for work**. In other words, if an employee **owns a vehicle** (including trucks or other commercial vehicles) and is required to use it in the course of their job, the employer must cover all necessary work-related costs, such as mileage, fuel, maintenance, insurance, and depreciation attributable to that use. SB 809 declares this principle as **reflective of existing law**, likely in response to any ambiguity or disputes over whether personal vehicle costs were reimbursable. Employers should review their expense reimbursement policies to ensure that any employee-owned equipment or vehicles used for work are covered, as failing to reimburse these costs could lead to liability.

4. AB 858 (2025) – Extension of COVID-19 "Right to Recall" for Displaced Workers (Labor Code § 2810.8)

California's pandemic-inspired "right-to-rehire" law has been extended. **AB 858** amends *Labor Code § 2810.8* to **prolong the sunset date** of the COVID-19 recall and retention provisions. This law, which requires certain employers in the hospitality, travel, and building services sectors to offer available jobs to employees laid off due to COVID-19, was originally set to expire on **December 31, 2025**. Under AB 858, the protections now remain in effect until **January 1, 2027**.

Practically, this means covered employers (such as hotels, event centers, airport hospitality providers, janitorial services for commercial buildings, and private clubs) **must**

continue to notify and rehire qualified employees laid off for COVID-related reasons before hiring new workers for the same positions. AB 858 also reinforced enforcement: any violation that occurs on or before December 31, 2026, remains actionable by the Labor Commissioner even after the law sunsets in 2027. Employers in these industries should **retain their recall offer records for at least three years** (as required by § 2810.8) and ensure that if they have job openings, they are making the proper offers to laid-off employees first. Failure to comply can result in penalties, including **civil fines and potential liability in DLSE enforcement actions** or lawsuits.

5. SB 261 (2025) – Stiffer Penalties for Unpaid Wage Judgments (Labor Code § 98.2)

Wage and hour judgment enforcement is getting teeth. **SB 261** targets employers who **do not satisfy final judgments** for unpaid wages. Under amendments to *Labor Code § 98.2*, if an employer has a **final judgment** or order to pay wages (for example, from a Labor Commissioner "Berman" hearing or a court judgment) and fails to pay it within **180 days**, the employer will face **steep additional penalties**. Specifically, **civil penalties of up to **three times the amount of the unpaid judgment** may be imposed.

This penalty is on top of the underlying amount owed and any other fines. Moreover, SB 261 provides that certain **"successor" entities** can be held **jointly and severally liable** for these penalties if they are essentially a continuation of the original debtor (to prevent employers from evading judgments by shifting assets to new companies). The law also authorizes public prosecutors to enforce these provisions, which could mean more aggressive collection efforts.

Additionally, the California **Code of Civil Procedure** is amended (see *Civ. Proc. Code § 680.230*) to broaden the definition of a "successor" employer for purposes of enforcement. The Labor Commissioner's office will publish a list of **unsatisfied wage judgments** on its website as a form of public notice/shaming, per SB 261. Employers should treat any wage claim or judgment with urgency: if you lose a wage claim, it is critical to pay the judgment or settle promptly (or post the required bond on appeal) to avoid these punitive triple-damage penalties and public posting.

6. AB 406 (2025) – Expanded Leave and Anti-Retaliation Protections for Victims of Crimes (Labor Code §§ 230, 230.1; Gov. Code § 12945.8)

California has expanded both **paid and unpaid leave rights** for employees who are victims of serious crimes (or have family members who are victims), and strengthened protections against retaliation. **AB 406** enacts multiple changes:

- **Use of Paid Sick Leave for "Safe Time":** The law amends the state's *Healthy Workplaces, Healthy Families Act* (Labor Code § 245 et seq.) to allow employees to

use their **accrued paid sick leave** not just for illness or medical appointments, but also for certain legal or safety-related activities previously only covered by unpaid leave. Now, if an employee or an employee's **family member** is a victim of a serious crime, the employee may use paid sick days to attend **court proceedings** or other legal processes related to that crime. Newly covered reasons for using paid sick leave include attending any **court hearing** or trial involving the perpetrator (such as delinquency proceedings, post-arrest release hearings, pleas, sentencings, or post-conviction proceedings) where the crime is a serious or violent felony or a felony involving theft or fraud. Previously, California law required employers to allow *unpaid* time off for certain victims (under Labor Code §§ 230 and 230.1), but AB 406 closes gaps by ensuring **paid sick time** can be used in these situations as well.

- **Anti-Retaliation and Expanded Unpaid Leave:** AB 406 also amends *Labor Code § 230* and related provisions to **broaden the definition of a covered "victim"** and to further prohibit employers from discharging or discriminating against an employee for taking time off due to their status as a victim of crime or abuse. The definition of "victim" now includes those subjected to **a wider list of crimes**, aligning with an enumerated list now found in *Government Code § 12945.8(j)(8)(C)*. Newly included offenses are extremely serious crimes such as vehicular manslaughter while intoxicated, felony child abuse likely to produce great bodily harm, assault resulting in the death of a child under 8, felony domestic violence, felony elder abuse, felony stalking, solicitation for murder, certain serious felonies defined in Penal Code § 1192.7, hit-and-run incidents causing death or injury, DUI causing injury, and sexual assault. If an employee or their immediate family member is a victim of any of these crimes, the employee is entitled to time off to attend legal proceedings (and, per the paid sick leave amendment, they can use paid leave for this purpose if available).
- **Enforcement by Civil Rights Department (CRD):** Notably, AB 406 shifts enforcement of some of these protections from the Labor Commissioner to the Department of Civil Rights (formerly DFEH). By adding *Government Code § 12945.8*, the law places certain crime victim leave rights under the California Civil Rights Department's jurisdiction. This means employees may file complaints with CRD for violations, and the **remedies** (including potential lawsuits under the Fair Employment and Housing Act framework) become available. For employers, this underscores the importance of treating requests for time off related to being a crime victim with the same seriousness as other protected leaves, to avoid discrimination or retaliation claims.

Practical impact: Effective January 1, 2026, employers should update their **handbooks and leave policies**. Ensure that your paid sick leave policy explicitly permits use of sick days for the expanded "safe time" reasons (jury service and proceedings related to serious crimes). Train managers not to penalize employees for absences related to these situations. Employers should also be prepared to provide reasonable accommodations (such as implementation of safety measures or schedule adjustments) to victims of domestic violence, sexual assault, stalking, or other qualifying crimes, as required by existing law (Labor Code § 230 and § 230.1). The expansion of coverage means more employees will qualify for these protections.

7. SB 513 (2025) – Training and Education Records as Part of Personnel Files (Labor Code § 1198.5)

Employers must keep and produce more information in employee personnel files. **SB 513** amends *Labor Code § 1198.5*, which is the statute granting employees and former employees the right to inspect and receive copies of their personnel records. Previously, "personnel records" generally included documents related to an employee's performance and any grievances, but the new amendment **expands the definition of personnel records to encompass training and educational records** of the employee.

Under SB 513, effective January 1, 2026, if an employee has received **any employer-provided training or education during their employment, records of that training must be maintained in their personnel file**. Moreover, the law specifies the **minimum details** that must be documented for each training/education program:

- The **name of the employee**.
- The **name of the training provider or program** (for example, the vendor or internal department that conducted the training).
- The **date(s) and duration** of the training.
- The **core competencies or topics** covered by the training (including any skills learned, equipment or software training, etc.).
- Any **certificate, license, or qualification** earned as a result of the training (if applicable).

Employees have the right to request and obtain these records just as they can with other personnel file documents. Employers must provide the records within the statutory timeframe (30 days from a written request under Labor Code § 1198.5).

Action item: HR departments and managers should review how training records are stored. Many companies previously kept training logs separate from personnel files; now those should be incorporated or at least made readily available as part of the employee's file. Failing to provide these records on request could result in penalties under existing law (a $750 fine for not complying with a personnel file request, plus possible injunctive relief and attorney's fees). To comply, implement a system to document all mandatory trainings (like harassment prevention, safety, or skills training) and any optional professional development courses an employee takes through the company.

8. SB 294 (2025) – "Workplace Know Your Rights Act" Annual Notice (Labor Code § 1550 et seq.)

SB 294, dubbed the **Workplace Know Your Rights Act**, creates a new requirement that **all California employers provide an annual notice of key worker rights** to employees. This law adds *Part 5.6 (commencing with Section 1550) to Division 2 of the Labor Code*, which lays out the details of the notice obligation. Here's what employers need to know:

- **Content of Notice:** The written notice must be a **stand-alone document** (separate from an employee handbook or other materials) that clearly summarizes workers' fundamental rights under various laws. SB 294 specifies the notice must include information on at least these topics:

    1. **Workers' compensation benefits** – informing employees of their right to workers' comp if injured on the job.
    2. **Protection against misclassification** – rights regarding not being misclassified as an independent contractor (likely including the AB 5 "ABC test" criteria).
    3. **Rights related to immigration status** – including the right to receive notice of any immigration agency inspection of I-9 forms (Labor Code § 90.2) and protections against unfair immigration-related practices (such as retaliation based on immigration status).
    4. **The right to organize and engage in collective activity** – essentially, employees' rights to form or join a union or engage in protected concerted activities (consistent with federal NLRA rights and California law).
    5. **Constitutional rights during law enforcement actions at the workplace** – for example, reminding employees of their rights if they are questioned or detained by police or immigration authorities at work (which might include the right to remain silent or to an attorney in certain situations).

6. **Heat illness protections** – likely a summary of workers' rights under Cal/OSHA's heat illness prevention standard, given that "heat illness prevention" is mentioned in the bill summary.
7. **Paid sick day rights** – explaining the basic rights under California's paid sick leave law.

(The law allows the Labor Commissioner to determine the final content, but the above are specifically listed in the legislation as required topics.)

- **State-Provided Template:** The California Labor Commissioner is tasked with creating a **template notice** by **January 1, 2026**. This model notice will presumably be made available on the Department of Industrial Relations (DIR) website in multiple languages.
- **Distribution Timeline:** Employers must **begin providing the notice by February 1, 2026**. Thereafter, it must be given **annually to all employees** (SB 294 says *"at hire and annually thereafter"*). "Provide" can mean a hard copy or possibly electronic distribution if it ensures individual receipt (the law doesn't explicitly require posting, rather it's about giving it to each worker).
- **Language Requirements:** The notice must be given in the language that the employer normally uses to communicate employment-related information to the employee. So if your workforce receives materials in Spanish, Chinese, Tagalog, etc., you must provide this notice in that language. (The Labor Commissioner will likely publish the template in multiple languages.)
- **Emergency Contact Provisions:** By **March 30, 2026**, employers must allow employees to designate an **emergency contact person** who can be notified if the employee is arrested or detained at work. Employers will need to collect this information (or update it for existing staff) and, going forward, offer the opportunity at hire. If an employer **knows** an employee has been arrested or detained during work hours or on the worksite, and the employee has opted-in by naming a contact, the employer must notify that emergency contact. This was included as part of SB 294 to protect workers who might be detained (for example, in an immigration raid or other law enforcement action) by ensuring someone they trust is informed.
- **Penalties for Non-Compliance:** Employers who **fail to distribute the notice or allow emergency contact designations** can face **civil penalties** enforced by the Labor Commissioner or a public prosecutor. Penalties can be up to **$500 per employee** for a notice violation, and up to **$10,000 per employee** for certain

violations of the emergency contact requirement (suggesting a higher penalty if an employer willfully fails to notify a designated contact).

Bottom line: All employers should be prepared to **obtain the model notice form** as soon as it's published and distribute it to employees by the deadline. This effectively adds a new annual item to compliance checklists (similar to how employers must give wage theft prevention act notices at hire, now there's an annual rights notice as well). Be sure to document that the notice was provided (for example, a dissemination email or a signed acknowledgment if given on paper) in case you need to show proof.

9. SB 590 (2025) – Paid Family Leave Benefits for "Designated Persons" (Unemployment Ins. Code §§ 3301–3303)

California's Paid Family Leave (PFL) program, which provides partial wage replacement for employees taking leave to care for family, is being expanded to cover a new category of caretaking: **"designated persons." SB 590** amends the *Unemployment Insurance Code §§ 3301, 3302,* and related provisions to broaden who qualifies as a family member for PFL purposes. This change aligns PFL with earlier expansions to **CFRA (California Family Rights Act) and Paid Sick Leave**, which in 2022 (via AB 1041) began recognizing a designated person for unpaid job-protected leave and sick time usage.

- **Definition:** A **designated person** is defined in the law as "any individual related by blood or whose association with the employee is the equivalent of a family relationship." In practical terms, it means an employee can choose someone **not among the traditional list of family relatives** and treat them as a family member for whom they can receive paid family leave benefits. This might include a close friend, unmarried partner, or other loved one who isn't covered by the usual definitions (such as domestic partner or in-law).
- **Effective Date:** Although the law is enacted, this particular change **does not take effect until July 1, 2028**. The delayed implementation is likely to allow the state's Disability Insurance/PFL program time to prepare for expanded claims and to integrate this change administratively.
- **How it Works:** Beginning in mid-2028, an employee who needs time off to care for a seriously ill *designated person* can apply for PFL wage replacement benefits (for up to 8 weeks, as with other PFL). The employee will be required to **identify the designated person** when filing a claim for benefits and must attest, under penalty of perjury, to the nature of their relationship (that it is a person "equivalent to family"). Employers may (as with AB 1041's provisions for CFRA) limit an employee to one designated person per 12-month period for leave purposes, to prevent abuse.

- **Interaction with CFRA:** Note that CFRA (Gov. Code § 12945.2) was already amended to allow employees of larger employers (5+ employees) to take **unpaid, job-protected leave** to care for a designated person. However, CFRA leave is **unpaid (aside from benefits)**, whereas PFL is a state insurance benefit that provides pay (around 60-70% of wages up to a cap). Until SB 590, if an employee took CFRA leave for a designated person, they couldn't get PFL benefits for that person because PFL's definition hadn't been updated – meaning the leave was entirely unpaid. SB 590 fixes that gap by ensuring employees can receive **PFL pay benefits** for those situations.
- **Employer Impact Now:** Even though the PFL benefit expansion is a few years away, employers should be aware of it as part of the broader trend of recognizing non-traditional family units. For 2026, there is **no immediate action required** on SB 590, but employers should continue complying with CFRA's designated person leave (for employers covered by CFRA) and be prepared for more employees asking for leave to care for people outside the traditional family circle. As 2028 approaches, employers might need to update their PFL notices and employee communications to inform staff of the new eligibility.

In summary, SB 590's enactment signals California's ongoing effort to make leave laws more inclusive. It ensures that by 2028, workers will not have to choose between a paycheck and caring for someone who is "like family" to them, even if not legally or biologically related.

10. SB 464 (2025) – Expanded Pay Data Reporting and Record-Keeping Requirements (Government Code § 12999)

California has augmented its pay equity reporting law to increase employer obligations. **SB 464** amends *Government Code § 12999*, which is the statute requiring large employers to submit annual pay data reports to the California Civil Rights Department (CRD).

Key changes under SB 464 include:

- **More Job Categories:** Starting with reports due in **May 2027**, employers will have to categorize employees into **23 different job categories**, up from the current 10 categories that mirror the federal EEO-1 report. These additional categories aim to capture a more nuanced picture of pay disparities across various roles. Employers may need to map their job titles to the new categories based on the federal Standard Occupational Classification system. It's advisable to begin this mapping process early.

- **Segregation of Demographic Data:** Effective **January 1, 2026**, employers (and any labor contractors who supply workers) must collect and **store employees' demographic data separate from personnel files**. In practice, this means data on race, ethnicity, and sex/gender used for pay reporting should not be kept in an employee's general personnel record. This could be to protect privacy and ensure that the information is only used for compliance reporting, not employment decisions. Employers should review their HRIS or payroll systems to make sure that if demographic information is stored, it can be isolated or extracted without exposing it inappropriately.
- **Automatic Penalties for Non-Reporting:** Perhaps most significantly, SB 464 introduces **mandatory civil penalties** for failing to file the required pay data report. Under prior law, the CRD could seek a court order and penalties for non-compliance, but it was somewhat discretionary. Now, if an employer does not submit its pay data report and the CRD or Department of Labor Standards Enforcement requests enforcement, a court **must impose** a penalty of **$100 per employee** for a first failure to report and **$200 per employee** for a subsequent failure. For a large employer, these fines can add up to substantial sums. This makes it critical that covered employers (100 or more employees, or 100+ workers hired through labor contractors) meet the annual March/April reporting deadlines.
- **Public Employers:** SB 464 also removes the exemption for public sector employers starting in 2027. Government agencies in California with 100 or more employees will have to begin pay data reporting as well (previously only private employers were covered).

In sum, businesses should **prepare now** by coordinating with HR, payroll, or any vendors to ensure they can **gather pay and demographic data** in the required format. For 2026, maintain demographic info in a separate file or database and ensure that whatever system is used for reporting keeps this data confidential. Looking ahead to 2027, reclassify your job list to the expanded categories. Non-compliance is now riskier given the automatic fines, so even companies that previously might have overlooked this reporting must prioritize it.

11. AB 692 (2025) – Ban on "Stay-or-Pay" Employee Debt Agreements (B&P Code § 16608; Labor Code § 926)

Continuing California's trend of protecting worker mobility (and building on its ban of non-compete agreements), **AB 692** prohibits a variety of contractual provisions that require employees to repay employers or related entities when their employment terminates.

These are sometimes informally called "**training reimbursement agreements**" or "stay-or-pay" clauses, where an employee who received certain training or benefits promises to repay costs if they leave before a certain time. As of **January 1, 2026**, such arrangements are largely **unlawful** for new contracts.

Key points of AB 692:

- **New B&P and Labor Code Sections:** The law adds *Business and Professions Code § 16608* and *Labor Code § 926*. B&P § 16608 falls under the same section of law that voids non-compete agreements (B&P § 16600), emphasizing California's stance that workers shouldn't be penalized for leaving a job.
- **Broad Prohibition:** Employers **cannot, as a condition of employment, require an employee or applicant to sign any contract** that:
    1. **Obligates the worker to repay** the employer (or a training provider or a third-party debt collector) for any **debt** if employment ends. ("Debt" is defined very broadly to include money or costs that are due or alleged to be due for employment-related or education-related expenses, among other things.)
    2. **Allows collection of a debt after employment ends** (for example, authorizing wage garnishment post-employment or similar).
    3. **Imposes any penalties, fees, or costs on the worker for leaving** (e.g., a fee for failing to stay a minimum duration).

In plain terms, you **cannot charge employees "fines" or require reimbursement of hiring or training costs just because they quit or are discharged**.

- **Examples of Prohibited Terms:** The statute explicitly lists examples of forbidden provisions often seen in these agreements, such as requiring payment of:
    - "**Replacement hire**" or "**retraining**" fees (charging the employee for the cost of finding or training their replacement).
    - "**Liquidated damages**" for quitting.
    - Reimbursement for immigration or visa expenses if the employee leaves.
    - "**Lost goodwill**" or "**lost profit**" due to the employee's departure.
    - Essentially any kind of "quit fee" or punitive cost tied to separation.
- **Allowed Exceptions:** AB 692 does carve out some **narrow exceptions** where repayment agreements are still permitted:

- **Tuition Reimbursement for Transferable Credentials:** If an employer fronted the cost of an educational program that results in a transferable credential (like a degree or certification that the employee can use outside the company), the employer may require repayment **only** if very specific conditions are met. These conditions include having a separate agreement outside the employment contract, the credential not being a condition of employment, prorating the repayment over the retention period (no accelerated full repayment if they leave early), and not requiring repayment at all if the employee is terminated except for misconduct. Essentially, genuine tuition assistance programs for portable education can still be done, provided they are truly voluntary and fair.
- **Sign-on Bonuses or Other Unearned Payments:** Employers can require payback of **unearned monetary bonuses** given at the start of employment (often called retention bonuses or relocation bonuses) *if* certain criteria are satisfied. Those criteria (set by the law) include a separate agreement outside the main employment contract, a notice to the worker of the right to consult an attorney and at least 5 business days to do so before signing, no interest on the repayment, a prorated reduction in what must be repaid depending on how long the employee stayed (and any required retention period cannot exceed 2 years), and the repayment can only be triggered if the employee quits on their own or is fired for misconduct. In other words, structured properly, a bonus clawback for someone who leaves very quickly is allowed, but it must be done in a very employee-friendly way.

Other scenarios like **lawful loan forgiveness programs**, **apprenticeship program agreements**, or **collective bargaining agreements** may also be outside the scope of this law, as it targets the specific "stay-or-pay" arrangements in typical employment contracts.

- **Void and Unenforceable; Private Lawsuits:** Any contract term that violates AB 692 is **void** and cannot be enforced. More importantly, workers have a new **private right of action**. If an employer attempts to enforce a prohibited repayment agreement or actually collects such a payment, the affected employee can **file a lawsuit** for relief. Remedies include **actual damages** or **$5,000 statutory damages** (whichever is greater) per employee, plus **reasonable attorney's fees and costs**, and possible **injunctive relief**. This means even attempting to impose these agreements could result in significant liability.

Takeaway: Employers should immediately review their employment contracts, offer letters, tuition reimbursement agreements, relocation pay agreements, and similar

documents. **Remove any clauses that require pay-back of costs upon resignation or termination**, except where clearly allowed. California's public policy is now firmly against these "golden handcuff" strategies. If you have multi-state agreements, carve California employees out of any such provisions. Payroll and HR should also ensure that at termination, they do not attempt to deduct any unlawful "debt" from final pay (doing so would violate not only this law but also wage payment laws).

12. AB 751 (2025) – Meal/Rest Break Rules for Petroleum Facilities – Exemption Made Permanent (Labor Code § 226.75)

California generally requires that employees receive duty-free meal and rest periods, but **AB 751** addresses a very specific industry exception. In hazardous industries like petroleum refining, certain employees have historically been allowed to remain on duty during rest breaks for safety reasons. AB 751 **removes the sunset (expiration date) on that exception**, effectively making it a **permanent rule**.

Details:

- Under *Labor Code § 226.75*, employees in safety-sensitive positions at **petroleum facilities (refineries and related operations)** were permitted to take **on-duty rest periods**, meaning they could be required to **remain on the premises, on call to respond to emergencies** during their 10-minute rest breaks. This is a narrow carve-out from the usual rule that rest breaks must be uninterrupted and free from duties.
- This exception was originally set to expire on January 1, 2026. AB 751 repeals the sunset clause, **extending the exception indefinitely**. So those refinery operators, gas plant workers, etc., in specified roles can continue to have on-premises rest breaks as part of normal operations.
- **Conditions:** The law still requires that if a rest period is interrupted (or cannot be taken due to an emergency or other circumstances), the employer must pay the employee **one hour of pay at the regular rate** as a "rest period premium" (this aligns with the standard remedy for missed breaks under *Labor Code § 226.7*). AB 751 does not remove the obligation to pay this premium when breaks are not provided; it simply allows on-duty breaks to be taken (or interrupted) legally for these employees when necessary.
- **Which Employees:** The exemption specifically applies to **employees holding safety-sensitive positions at petroleum refineries, marine terminals, pipelines, or petrochemical facilities** who are required to carry a communication device (such as a radio or pager) to monitor for emergencies or to remain on the premises

during breaks. Typically these are operators whose immediate response can be critical to preventing accidents.

For most employers, this change has **no impact**, as it is industry-specific. Employers in the petroleum and refining sector, however, should update any internal policies that referenced the previous January 2026 sunset. They can continue current break practices, but must remain vigilant about paying the extra hour of pay whenever a rest break is missed or cut short due to operational emergencies.

13. AB 963 (2025) – Public Works Project Recordkeeping and Access (Labor Code §§ 1776, 1784, etc.)

AB 963 increases transparency and recordkeeping duties for owners and developers on **public works construction projects** in California. The law builds on existing prevailing wage record requirements in the Labor Code.

Key points:

- **Expanded Record Production**: Owners and developers involved in public works projects are now required to **provide certain project documents on request** to specified parties. Under existing law (Labor Code § 1776), contractors must keep certified payroll records for public works and provide them to the Labor Commissioner or project awarding body on request. AB 963 appears to extend obligations to project owners/developers as well, and crucially, to third-party requestors like **joint labor-management committees** (e.g., groups formed by unions and contractors to monitor labor compliance) and **multiemployer benefit trust funds** (which often need payroll information to ensure benefit contributions are made correctly).
- **Types of Records**: The records that may be requested include:
    - Certified **payroll records** of contractors/subcontractors.
    - **Construction contracts and subcontracts**.
    - **Project-related reports** (possibly including fringe benefit reports, apprenticeship agreements, etc., as may be needed by trusts or labor committees).
- **Timeline**: Upon receiving a request from an authorized party (DLSE, a joint labor-management committee, or a benefit trust fund), an owner or developer must produce the requested records **within 10 business days**.
- **Penalties for Non-Compliance**:

    - Failing to provide **payroll records** as required can result in a penalty of **$100 per day, per worker** whose information is requested, until the records are produced (capped at a maximum as defined by statute, but potentially significant).
    - Failing to provide **construction contracts or other specified non-payroll documents** carries a penalty of **$500 per day** of delay.
- **Privacy Protections**: When providing payroll records, personal information like names and addresses of workers may need to be redacted to protect privacy (as required under existing law when providing records to non-governmental entities). Owners/developers should coordinate with the contractors who generated the records to ensure compliance.

This law aims to facilitate enforcement of prevailing wage laws and ensure workers on public projects are properly paid and benefitted. **Action item**: If you are an owner or developer on public-funded projects, set up a procedure to **collect and store** certified payrolls and related documents from your contractors, even if not directly your responsibility, because you may now be obligated to hand them over to requestors. Consider contract clauses requiring your general contractor to timely provide you with copies of all such records. Additionally, respond promptly to any requests from labor-management committees or trust funds to avoid accruing penalties.

14. SB 642 (2025) – Equal Pay Act Amendments and Pay Scale Definition (Labor Code § 1197.5; Labor Code § 432.3)

California has further refined its equal pay and pay transparency statutes with **SB 642**, also known as the **Pay Equity Enforcement Act**. This legislation makes several important changes:

- **Expanded Definition of "Sex"**: California's Equal Pay Act (Labor Code § 1197.5) already prohibits wage differentials based on sex, race, or ethnicity for substantially similar work. SB 642 clarifies that pay discrimination on the basis of "sex" includes disparities involving employees of **different sexes, not just the binary opposite sex**. In essence, it ensures the law covers wage disparities affecting, for example, a nonbinary employee relative to male or female colleagues. This aligns with a broader interpretation of gender-based discrimination consistent with other anti-discrimination laws.
- **Broader Definition of "Wages"**: The law makes clear that "wage rates" and "wages" under Section 1197.5 include **all forms of compensation and benefits**, not just base pay. This means when comparing employees for equal pay purposes, one

must consider bonuses, stock options or equity, shift differentials, pension or 401(k) contributions, insurance, vacation and other benefits – basically **total compensation**. Employers can't justify disparities by excluding certain forms of comp; the comparisons and justifications must account for everything of value.

- **Pay Scale Transparency Clarified**: Separately, California requires employers to provide pay scale information (salary range) in job postings (Labor Code § 432.3, as amended by prior laws). SB 642 writes into law a specific definition of **"pay scale"**: it is "the salary or hourly wage range that the employer reasonably expects to pay for the position **upon hire**." This definition is meant to eliminate vague interpretations – employers must post a genuine expected range for the job at the start. It prevents extremely wide ranges or ranges that include compensation far beyond what a new hire would get. Essentially, it should reflect what a new employee can realistically expect, based on budgeted or current rates for that role.
- **Statute of Limitations and Back Pay**: SB 642 adjusts the timeline for equal pay claims. It sets the *statute of limitations* for filing a civil lawsuit under the Equal Pay Act to **three years from the date of the last violation** (which could be each paycheck that reflects a discriminatory difference). Importantly, it specifies that an equal pay claim "accrues" each time pay is unlawfully unequal, meaning the clock resets with each paycheck if the disparity continues. This clarifies any confusion over whether it runs from the first occurrence. Additionally, while the statute of limitations is three years for filing, SB 642 allows employees to claim **back pay for up to six years** (previously, it was a bit unclear, but effectively it extends how far back wages can be recovered once you file a timely claim). This is significant – if a person discovers in 2026 that they were underpaid relative to a counterpart since 2020, they could potentially recover the full difference for those six years, assuming the pattern continued and they file by 2029 (since last violation in 2026, three-year filing window to 2029, and six-year reach-back to 2023… earlier years might be out of reach, but the law may allow looking further if continuous violation).
- **Enforcement and Remedies**: These changes reinforce that California is serious about pay equity enforcement. Remember, the Equal Pay Act allows for recovery of unpaid wage differences plus interest, an equal amount in liquidated damages, and attorney's fees. With a longer back-pay period, the financial stakes in equal pay disputes are higher.

Employer To-Do: Conduct a **pay equity audit**. Review compensation across genders (including nonbinary employees where applicable) and across races/ethnicities for substantially similar jobs. Ensure any differences can be justified by legitimate factors (like

seniority, merit, quantity/quality of production, or a bona fide factor such as education, training, experience that's job-related and consistent with business necessity). Also, update recruiting practices: when posting jobs, include a truthful pay range that reflects what you intend to offer new hires. SB 642's clarification on pay scale means postings should not list ranges that are broader than what the company would actually pay a newcomer. Internal alignment between the recruiting team and compensation team is crucial so that posted ranges are accurate and defensible.

15. SB 477 (2025) – Civil Rights Department (CRD) Group & Class Complaint Procedure Overhaul (Gov. Code §§ 12961, 12964.5, etc.)

SB 477 modifies the procedures under which the California Civil Rights Department (CRD, formerly DFEH) handles **class or group discrimination claims** and coordinates with individual complaints. The goal is to streamline large-scale enforcement of civil rights violations (including workplace discrimination or harassment affecting groups of employees).

Key changes include:

- **Definition of Group or Class Complaints**: The law defines what constitutes a "group or class complaint" — generally when CRD itself or a group of employees file a complaint alleging a pattern or practice of discrimination that affects multiple people (such as a systemic pay disparity or a widespread harassment issue).
- **Tolling of Individual Claims**: Under prior procedure, if CRD decided to pursue a **director's complaint or group complaint**, individual employees could still request an immediate "right-to-sue" letter to go to court with their own claims. Some might do so, which could result in parallel litigation while CRD's investigation was ongoing. SB 477 provides that if CRD **notifies an individual that their complaint is related to an ongoing director's or class complaint** and the individual **does not request a right-to-sue** promptly, then CRD will **hold that individual's complaint in abeyance**. The agency will not issue a right-to-sue letter to that individual **until the group complaint is fully resolved**, including appeals. This effectively **pauses individual actions** while the government-led action proceeds, to avoid duplicative lawsuits and possibly conflicting outcomes.
- **Extension of Time to Sue After CRD Closure**: Normally, when CRD closes a case or issues a right-to-sue, a person has a year to file in court. SB 477 adjusts timelines for cases involved in these class complaints, ensuring individuals whose cases were held from suit get a full opportunity once the CRD action ends.

- **Purpose**: This overhaul is intended to let CRD take the lead on big cases without fragmenting the process. It may result in more efficient resolution of systemic discrimination issues, albeit at the cost of some delay for individuals.
- **Impact on Employers**: If your company faces a **CRD director's complaint** alleging class-wide discrimination (for instance, a company-wide policy that's allegedly discriminatory), you might see fewer individual lawsuits immediately because those are stayed. But the trade-off is that the **CRD's case could become quite expansive**, representing many employees at once, and the resolution (via settlement or judgment) could bind all those individuals. Employers should treat CRD investigations with utmost seriousness—cooperate and try to resolve early if possible. SB 477 means you can't easily "pick off" individual claims one by one once CRD is involved on a class basis.

No immediate compliance task arises from SB 477 for employers besides being aware of the procedural shift. It mainly affects litigation strategy and how CRD coordinates its enforcement actions.

16. SB 617 (2025) – Cal-WARN Act: Additional Mass Layoff Notice Requirements (Labor Code § 1401)

California's mini-WARN Act (Labor Code § 1400–1408) imposes requirements on employers to give advance notice to employees and authorities before mass layoffs, plant closures, or major relocations. **SB 617** amends *Labor Code § 1401* to add **new content requirements** to the written notices that covered employers must issue.

Under Cal-WARN, a "covered establishment" with 75+ employees must provide 60 days' notice of a mass layoff (50 or more employees at a site), relocation, or termination of operations. Now, as of **January 1, 2026**, the required notice to employees (and to local government and workforce agencies) must include:

- **Whether the employer has arranged reemployment services**: Specifically, the notice must state **whether the employer plans to coordinate "rapid response" services and job-placement assistance with the local Workforce Development Board**, another government agency, or **not at all**. Essentially, the employer must tell employees if any help in finding new jobs is being facilitated. Rapid Response services are typically offered through local workforce agencies when layoffs occur (resume workshops, career counseling, etc.). Employers often coordinate with these agencies; now they must disclose if they are doing so (and with whom) or if they are opting not to utilize such services.

- **Local Workforce Development Board Contact Info**: The notice should provide **contact information for the relevant local workforce development board**, including how to get in touch or utilize their services. It likely needs to name the board or agency and possibly an address, phone, or website.
- **Information on CalFresh**: The notice must now include a specific statement about the **CalFresh program** (California's SNAP/food stamp program). It should explain that laid-off employees may be eligible for food assistance, and provide **contact information for CalFresh**, such as a hotline number or website to apply for benefits.
- **Employer Contact for Questions**: While previously notices generally included a point of contact, SB 617 makes it explicit that the notice must list a **functioning email address and telephone number for the employer** that recipients can use to get further information about the situation (likely for follow-up questions about the layoff or benefits).

These additions ensure that workers receive not just the bad news of a layoff, but also immediate information on resources that can help mitigate the impact (job training and food security), and a way to reach the employer for clarification.

Employer compliance: If you anticipate any mass layoff or closure, update your WARN notices. Many employers use templates; those templates must be revised to add the above points. It's wise to coordinate with your local workforce board when planning a reduction in force – they can often assist employees, and now you'll be stating in the notice whether you are engaging with them. Remember, a deficient notice (missing required elements or not giving the full 60 days notice without a valid exception) can result in liability for back pay and penalties for each affected employee (Cal-WARN is enforced with a day's pay per violation per employee, up to 60 days, plus civil penalties). So including these new details is essential to avoid claims that notice was inadequate. Also keep in mind, Cal-WARN has fewer exceptions than federal WARN and even applies to certain "emergencies" unless specifically excepted, so when in doubt, issue the notice.

17. AB 1514 (2025) – Extended Exemptions from "ABC" Employment Test for Manicurists and Commercial Fishers

California's stringent "ABC test" for independent contractor status (from AB 5 in 2019, now in Labor Code § 2775 et seq.) has many exemptions for specific occupations where alternate criteria (like the Borello test) apply. **AB 1514** extends the sunset dates of two such exemptions:

- **Licensed Manicurists**: Previously, licensed manicurists were exempt from the ABC test until January 1, 2025 – meaning they could potentially be treated as independent contractors if they met the Borello factors and certain conditions (under Labor Code § 7341 and § 2778). AB 1514 extends this exemption to **January 1, 2029**. For the next few years, nail salons can continue, under strict conditions, to contract with manicurists as independent contractors (for example, if the manicurist sets their own rates and schedule, is not restricted to working only at one salon, etc., per the criteria in law). After 2029, if not extended again, manicurists would have to be classified under the ABC test like most workers (which likely means as employees, since it's hard to pass ABC in a salon context).
- **Commercial Fishermen on American Vessels**: Individuals working as commercial fishers had an AB 5 exemption originally set to expire in 2023, which was extended to 2025. AB 1514 now extends it further to **January 1, 2031** for those working on American-owned and operated fishing vessels. This means for the rest of the decade, commercial fishers can continue to be treated as independent contractors (for instance, paid by shares of the catch) without applying the ABC test, as long as they meet conditions in the exemption (like having a valid commercial fishing license, etc.). After 2031, absent further changes, they would fall under the ABC test (which would likely disrupt longstanding industry practice).

These extensions reflect a legislative recognition that in certain industries, the AB 5 ABC test is problematic. However, note that these exemptions do **not automatically legalize independent contracting**; they simply allow use of the traditional **common law (Borello) test** to determine employment status for those roles. Borello is a multifactor test focusing on control, which in these fields might allow more flexibility.

Impact: Nail salon owners should continue to follow the special rules if engaging licensed manicurists as contractors (e.g., a manicurist must set their own rates and hours, pay rent for their station, etc., under Barbering & Cosmetology Act provisions). For fishing boat operators, the status quo remains. Other industries with exemptions (like freelance writers, artists, etc.) were not changed by AB 1514; their sunset dates, if any, remain as previously set (some are permanent, some expire end of 2025 for others like certain music industry roles). It's advisable for businesses to diarize these dates; the legislature has revisited AB 5 exemptions regularly, and further extensions or changes are always possible.

18. AB 566 (2025) – "Opt-Out Preference Signal" Web Browser Requirement (California Consumer Privacy)

While not exclusively an employment law, **AB 566** (coined the **"Opt Out Act"**) is a new California consumer protection law that many businesses with an online presence must heed by 2027. It requires that **web browsers and similar internet user agents provide a simple means for consumers to send an opt-out signal regarding the sale or sharing of their personal information**, and that businesses honor such signals.

Key points:

- **By January 1, 2027**, any business that operates a website or online service likely to be accessed by Californians must ensure that the site can respond to **opt-out preference signals** sent by user agents (like web browsers or browser extensions). An "opt-out preference signal" is basically a mechanism (often a HTTP header or similar tech) that communicates a user's choice to opt out of the sale or sharing of their personal data, as covered under California privacy laws (the California Consumer Privacy Act, CCPA, as amended by CPRA).
- **Browser Functionality:** Web browsers (think Chrome, Safari, Edge, etc.) will be required to have a control or setting that a user can toggle which will automatically transmit this "do not sell/share my info" signal to every site they visit. AB 566 in effect mandates browser developers to include this in an easy-to-find way. California is the first state to impose a duty on browsers to incorporate privacy preference signals in a specific manner.
- **Business Compliance:** If you run a website and receive such a signal, you must treat it as a valid opt-out of sale/sharing under the CCPA, meaning you cannot sell or share that user's data (as defined by law) and should probably stop any third-party data tracking for those purposes (like certain advertising cookies) for that user. This law basically reinforces and makes universal the already encouraged practice of honoring the Global Privacy Control (GPC) signal.
- **No Charge for Use:** The law ensures that these controls must be freely available and easy to use — a consumer shouldn't have to pay or navigate a maze to protect their privacy.
- **Enforcement:** The California Privacy Protection Agency (CPPA) is empowered to adopt regulations to implement this requirement. Businesses could face enforcement actions (fines, penalties) under the CCPA if they fail to honor opt-out signals.

For California employers, this law matters if you have a consumer-facing website (e.g., selling products or services) or even if your company website uses tracking cookies. It is not directly about HR data, but it underscores California's emphasis on privacy. Many HR

professionals double as compliance officers, so they should ensure their IT/web departments are aware of this coming change.

By 2026, companies should start preparing by checking with their website developers or cookie management vendors: **Does our site recognize global opt-out signals?** If not, plan an update. Also, keep an eye out for CPPA regulations clarifying technical specifics.

(Note: Employee data is largely exempt from CCPA until at least Jan 1, 2026, and CPRA carved out HR data to some extent. AB 566 is about consumer interactions. However, many businesses must comply because they also handle consumer data outside the employment context.)

19. AB 288 (2025) – PERB Authority Over Certain Private-Sector Labor Disputes

AB 288 (the **California Labor Relations Expansion Act**) expands the role of the **Public Employment Relations Board (PERB)** – which historically handles public sector collective bargaining – to *some* **private-sector labor relations** situations, particularly when the National Labor Relations Board (NLRB) is unable to act. This is a groundbreaking assertion of state jurisdiction in an area typically preempted by federal law.

Highlights:

- **Trigger for PERB Jurisdiction:** If the NLRB *"fails to act"* on an unfair labor practice (ULP) charge or a union representation petition **within 180 days** due to backlog, lack of quorum, or other procedural issues, then the union or employees can petition PERB to take up the case. Essentially, if the federal process is stalled or unavailable, California PERB can step in as a **backup forum**.
- **What PERB Can Do:** Under AB 288 (reflected in new Labor Code provisions), PERB may:
    - Conduct and certify **union elections** for private-sector workers if the NLRB isn't doing so.
    - Process **unfair labor practice complaints** (e.g., allegations of unlawful retaliation for organizing, bad-faith bargaining, etc.) that would normally go to the NLRB.
    - Order **remedies** such as reinstatement of fired workers, cease-and-desist orders, and potentially even **monetary penalties** against employers for ULPs (the law empowers PERB to issue penalties up to a certain amount, which the NLRB typically cannot do – NLRB usually only provides make-whole relief).

    - Order **mandatory mediation** or impose bargaining orders in instances of egregious violations hindering a union's ability to organize or bargain (similar to existing PERB powers in some public sectors).

- **Appeals:** Decisions of PERB in these matters would be appealable to the California Courts of Appeal, not the federal courts. This is an important structural difference – normally NLRB decisions go to federal court. AB 288 creates a California-centric pathway.
- **Preservation of NLRA:** This law attempts to avoid federal preemption by only activating when the NLRB is not functioning timely. However, it is almost certain to face legal challenges, as the NLRA generally is said to preempt state involvement in labor relations. Whether AB 288 will survive a court test (the argument might be that it conflicts with federal law or attempts to regulate an area Congress intended to occupy fully) remains to be seen. For now, it is on the books for 2026.
- **Agricultural Labor:** Note, AB 288 also confirms that **agricultural labor relations remain under the Agricultural Labor Relations Board (ALRB)** exclusively (with ALRB not strictly bound to follow federal NLRA precedents either).

What this means for employers: Private employers in California (particularly those where unionization efforts are underway or potential) need to be aware that **labor disputes could potentially be heard in Sacramento (PERB)** instead of the NLRB. This could mean different procedures, faster timelines, and possibly different outcomes. For example, PERB might be more likely to enforce certain penalties or remedies the NLRB historically doesn't (like California-specific penalties).

Employers should **ensure compliance with labor laws** to not invite ULP charges. If facing an NLRB case, the incentive is now to participate and not delay – because delay could open the door for PERB involvement. It's a complex area, so consultation with labor counsel is advised if you find yourself in an organizing campaign or labor dispute in 2026 and beyond.

20. AB 1340 (2025) – Collective Bargaining Rights for Rideshare (TNC) Drivers

AB 1340 enacts the **"Transportation Network Company (TNC) Drivers: Labor Relations Act."** This new law is a response to the ongoing debates over gig economy drivers (like those for Uber, Lyft, etc.). While **Proposition 22 (2020)** kept app-based drivers as independent contractors under California law (with some benefits), AB 1340 gives those drivers **the right to organize and collectively bargain** without reclassifying them as employees.

Key provisions:

- **Right to Form "Driver Organizations":** Covered drivers (those working for TNCs that meet certain criteria, likely large rideshare companies) can band together and form a **driver organization (a kind of union)**. They can seek to become the exclusive representative for a sector of drivers to negotiate with the TNCs.
- **PERB Oversight:** The law tasks the **Public Employment Relations Board (PERB)** with administering and enforcing these new rights (somewhat analogous to how a state agency might oversee a labor scheme). PERB will handle representation petitions, conduct elections among drivers to choose a representative, and adjudicate any **unfair labor practices** under this act (which would include things like a TNC retaliating against a driver for organizing, or a driver organization trying to coerce drivers improperly).
- **Data Sharing:** TNCs will be required to **periodically share certain driver data with PERB and with the certified driver organization** to facilitate representation. For example, they must provide lists of active drivers, hours worked, etc., so that it's clear who is eligible to vote or who is represented.
- **Bargaining Scope:** The driver organization and TNC can negotiate on a range of issues spelled out in the law, such as:
    - **Appeals of driver deactivations:** (i.e., if a driver is "fired" from the app, establishing a system to appeal that decision).
    - **Driver benefits or protections:** perhaps discussing insurance, health coverage stipends, etc. (Though Prop 22 mandated some minimums, they might bargain for more.)
    - **Safety and training standards.**
    - **Guaranteed minimum earnings or fare share formulas** beyond Prop 22's requirements.
    - **Other working conditions** short of making them employees.
- **No Full Employment Status Granted:** Importantly, AB 1340 explicitly **does not make drivers "employees."** It carves this out as a unique model: drivers remain independent contractors under Prop 22 for all other purposes (no minimum wage, no overtime, no workers' comp via the employer, etc.), but they gain a right that typically only employees have – the right to collectively bargain. This is novel, as independent contractors under federal law cannot unionize (antitrust law would

treat that as price-fixing). AB 1340 attempts a state-sanctioned workaround for this group.

- **Enforcement and Dispute Resolution:** Once an agreement (a "sectoral agreement") is reached between a driver organization and a TNC (or group of TNCs), it could be subject to state approval. PERB would also handle ULPs like any refusal to bargain, interference with driver rights, or driver org misconduct.

This law, too, may face legal challenges (for preemption or antitrust reasons), but it is slated to start **January 1, 2026**.

For businesses and stakeholders: The immediate effect is on TNC companies – they must prepare to comply by sharing data and not retaliating against organizing efforts. For the drivers, it opens an avenue to seek better conditions collectively. Other gig-economy sectors (like food delivery) are not covered by this Act, but it could be a model tried elsewhere in the future.

Traditional employers are not directly affected by AB 1340, but it signals California's willingness to experiment with labor rights outside the traditional employee framework.

21. SB 303 (2025) – Bias Mitigation Training Protections (Gov. Code § 12950.1 amended)

SB 303 addresses a subtle but important point related to workplace diversity or bias training programs. It amends the Fair Employment and Housing Act (FEHA) – likely *Government Code § 12950.1* (the section that requires sexual harassment training and by extension many employers conduct bias training) – to ensure that **employees who participate in good faith in an employer's bias self-assessment or training are not inadvertently harmed by that participation**.

Concretely, SB 303 states that **if an employee, during a bias mitigation program, takes a test or answers questions about their own implicit biases, any admissions or results from that exercise **cannot be used as evidence of wrongdoing**. In other words, an employee's acknowledgment of potential bias in themselves, made as part of a learning or training module, **shall not be considered proof that they discriminated in, say, a later lawsuit**. Nor can an employer use an employee's self-identified bias from a training as a reason to discipline or take adverse action against them.

The rationale: Employers want to encourage honest introspection during anti-bias training. If a manager honestly notes "I might have a slight unconscious bias favoring X group" in a training questionnaire, that honesty should not turn into a liability – either legally or job-wise. SB 303 assures:

- **No automatic liability**: An employee's participation in such training (and any self-reflection admissions therein) does **not constitute an admission of discriminatory intent** in a legal sense.
- **No retaliation or misuse by employer**: The employer shouldn't use the outcome of a bias test or worksheet to stigmatize or penalize an employee. It's meant to be educational.

For example, if an employee's bias training survey indicates some prejudice, the employer should use that for personal growth and maybe further voluntary training, not to fire or demote the employee (absent actual misconduct).

What to do: If you conduct **implicit bias trainings or self-assessments**, let participants know their results won't be used against them. This law is more of a protective shield than an action item, but employers should still maintain the **confidentiality** of individual training responses. Typically, these exercises are done privately, with maybe only the employee seeing their results. That practice should continue. And if you're considering any "admissions" from training to make decisions, think twice – SB 303 essentially forbids that.

From a litigation perspective, attorneys litigating discrimination cases in California will be aware that they can't subpoena bias test results to prove someone "knew they were biased." Courts will likely exclude such evidence as not indicative of intent due to this law.

In summary, SB 303 encourages robust bias mitigation training by removing a disincentive (fear that honesty could backfire). Employers should continue offering such training (which, in some forms like harassment prevention, is mandated), and employees should engage in it without fear.

22. AB 250 (2025) – Extended Statute for Reviving Sexual Assault Claims (Code of Civil Procedure § 340.16)

In 2022, California opened a temporary "lookback window" allowing survivors of adult sexual assault to file civil claims that had previously expired under the statute of limitations. That window was set to close at the end of 2026. **AB 250** extends this revival period by an additional year.

- Under *Code of Civil Procedure § 340.16*, as amended, plaintiffs who allege they suffered sexual assault (as an adult; minors have other rules) **many years ago can file lawsuits during a special period from January 1, 2026 through December 31, 2027**, even if the normal statute of limitations had run. This adds one more year beyond the original end date.

- This law primarily affects civil litigation rather than day-to-day compliance. For employers, it means that if a company (or its management) was involved in a sexual assault or related cover-up in the past (even decades ago), it could still face a lawsuit through 2027 if the victim has not already filed. This includes not only sexual assault claims but also any related claims of, say, sexual harassment or failure to prevent harassment, or even wrongful termination, **if they arise out of the assault incident**. AB 250 explicitly says that related claims (like a claim that an employee was fired for reporting a sexual assault, or claims of sexual harassment by the perpetrator) can be revived too in this window.
- **Exceptions:** The law does *not* revive claims that have already been litigated to final judgment or settled. It only revives those that were time-barred without resolution. Also, it doesn't allow punitive damages against public entities for these revived claims (public entities remain largely immune or protected by shorter claim filing deadlines).
- **Practical effect:** Employers (especially large ones that may have historical claims) should be aware of this extended risk. We may see an uptick of lawsuits in 2026–2027 filed under this revival provision. It underscores the importance of having proper anti-harassment policies and investigating past incidents—courts might be dealing with very old facts, which is challenging if records are gone. Businesses may want to **preserve any old HR files or investigation documents** involving sexual misconduct a bit longer (through 2027 at least) because of potential revived claims.

For current compliance, AB 250 doesn't require policy changes; it's about legal exposure. However, from an HR perspective, ensuring a safe workplace and promptly addressing any sexual misconduct remains critical – addressing it now prevents becoming part of these statistics in the future. And if a historic incident resurfaces via a claim, be prepared to cooperate and handle it with seriousness even if it's from long ago.

23. Minimum Wage for Healthcare Workers (SB 525 – 2024 law, phased implementation)

Note: While not passed in 2025, a significant law affecting wages in 2026 is the phased increase of minimum wages for healthcare workers under SB 525 (2023).

Starting **June 1, 2024**, many employees at covered healthcare facilities began receiving a higher sector-specific minimum wage. The law sets a schedule:

- $23/hour effective June 1, 2024;
- $24/hour effective **June 1, 2025** (through May 31, 2026);

- $25/hour effective **June 1, 2026** (through May 31, 2027);
- Further 3.5% increases each year until reaching $25 by 2028 for all covered employers (some smaller or rural facilities have a slower phase-in).

By the time we enter 2026, large hospitals and health systems will be paying at least $24/hour (and will need to prepare for $25 by mid-2026), whereas some clinics or rural hospitals might still be on $18–$22 depending on size (the law had different timelines for different types of employers).

Healthcare employers should ensure compliance with the **specific schedule for their category** and note this is separate from the general state minimum wage. Also, raising base pay may affect salary non-exempt classifications and shift differentials. This law has prompted many healthcare providers to adjust budgets significantly.

(This item is included as context because many business owners and payroll departments in healthcare will be dealing with these raises in 2026. It demonstrates California's targeted approach to raising wages in critical industries.)

24. CalSavers Retirement Program – Final Phase for Small Employers (Gov. Code § 100000 et seq.)

California's state-run retirement savings program, **CalSavers**, has rolled out in phases. As of **December 31, 2025**, **all employers in California with at least 1 employee** (and no employer-sponsored retirement plan) are required to register for CalSavers and facilitate payroll deductions for their employees' IRAs (Individual Retirement Accounts) through the program.

What this means in 2026:

- **Compliance Threshold:** Even the smallest employers (1–4 employees) must now either offer a private retirement plan (like a 401(k)) or have enrolled in CalSavers. Larger employers had earlier deadlines (100+ employees in 2020; 50+ in 2021; 5+ in mid-2022). The final group (1–4 employees) deadline at end of 2025 means **every employer in 2026 should already be on board if required**.
- **Ongoing Duties:** Employers in CalSavers must:
    - **Register** on the CalSavers platform.
    - Provide a **roster of employees** and their contact information.

    - Facilitate the automatic **payroll deduction** (default 5% of pay, increasing 1% each year to 8%, unless the employee opts for a different amount or opts out).
    - Remit contributions timely (within 7 days of deduction).
    - Add new hires to the program going forward and keep records updated.
- **Penalties:** The state can penalize non-compliant employers (those who should register but haven't) $250 **per eligible employee** upon notice, and if non-compliance continues 90 days later, an additional $500 per employee. These penalties under Government Code § 100033 can add up quickly for even a small business. Starting in 2026, enforcement on the smallest businesses is expected to ramp up.

Action: If you are a small business owner who didn't previously have to think about retirement plans, ensure that by early 2026 you have either set up a private plan or joined CalSavers. For payroll providers and HR: be ready to assist these small employers with the administrative process. Many payroll software systems have integrations to handle CalSavers deductions – make sure yours is configured correctly.

Even though this program is not a traditional "employment law" in the sense of behavior in the workplace, it is a **mandatory benefit facilitation law** that affects payroll operations significantly. It's intended to help more workers save for retirement, given the low participation in employer-sponsored plans historically among small businesses.

25. Continued COVID-19 Supplemental Paid Sick Leave and Reporting (if re-enacted)

(As of early 2026, California's COVID-specific supplemental paid sick leave laws have expired, but employers should stay alert if public health conditions change.) Throughout 2020–2022, California had special laws requiring additional paid leave for COVID-related reasons and mandating reporting of workplace outbreaks (Labor Code §§ 248.6, 3212.88 and others, now expired). While these are not currently in effect, the legislature could revive such measures if necessary. Employers should maintain some flexibility in policies to quickly accommodate any new public health requirements, such as paid leave or notification rules, should they arise in 2026.

Conclusion: The landscape of California employment law in 2026 is complex and evolving. From wage hikes and data reporting to novel labor rights for gig workers, employers must diligently update their practices. It is highly recommended to consult the actual statutory language (the bill numbers and code sections provided) and possibly legal counsel for a deeper understanding of how each law applies to your specific business. By staying

informed and proactive, California employers can turn compliance challenges into organized strategies, ensuring they remain on the right side of the law while continuing to support their workforce.