EOY SERIES: PART 2

EOY Employment Law Update: Jan. 1st Changes & 2027 Preview

November 19th, 2026

© SixFifty 2026

Speed and accuracy in employment compliance? With SixFifty, you can have both—and you get to choose how you start:

Personalized demo with a SixFifty expert ⤵️

Ideal for: Multi-state teams and growing orgs with complex compliance needs

Free 7-day trial ⤵️

Ideal for: Hands-on learners who want to explore on their own time

sixfifty

Today’s agenda

1. Minimum wage, salaries, & pay transparency
2. Leave, EEO, hiring, & AI
3. California spotlight
4. Federal proposals & 2027 outlook

© SixFifty 2026

sixfifty
By Paychex®

NEW YEAR, NEW LEGAL CHANGES

January 1, 2027 Employment Law Checklist

Get the checklist



Scan the code or click the link in the Zoom chat to get the checklist:

© SixFifty 2026

sixfifty

Scan the code or click the link in the Zoom chat to take the survey:



© SixFifty 2026

sixfifty

State minimum wage updates: Jan. 1st, 2027

Minimum wage rates in these states as of Jan. 1st, 2027

- Arizona - $15.65/hr
- California - $17.40/hr
- Colorado - $15.71/hr
- Connecticut - $17.48/hr
- Maine - $15.10
- Michigan - $15.00/hr
- Minnesota - $11.87/hr
- Montana - $11.20/hr
- Nebraska - $15.26/hr
- New Jersey - $16.48/hr*
- Ohio - $11.40/hr
- Rhode Island - $17.00/hr
- South Dakota - $12.30/hr
- Vermont - $14.91/hr
- Virginia - $13.75/hr
- Washington - $17.73/hr

© SixFifty 2026

sixfifty

Minimum wage: Beyond the new rates

- **Nebraska:** Annual increases are now a fixed 1.75% and no longer tied to inflation. New hires ages 16–19 can be paid a training wage for their first 90 days.
- **Virginia:** Farm laborers and farm employees are now covered by the state minimum wage.
- **New York:** No increase on January 1st. Standard rates stay at:
  - NYC, Long Island, and Westchester: $17.00 per hour;
  - Rest of the state: $16.00 per hour.
- **St. Paul, MN:** The 90-day youth rate (85% of the city minimum wage) ends.

© SixFifty 2026

sixfifty

Exempt vs. non-exempt: 2027 salary thresholds

Washington, Colorado, California, and Maine raise their exempt salary floors in 2027—pay at least the highest threshold that applies, and remember the job duties test still matters.

Jurisdiction	2027 minimum salary	Effective & notes
Washington	**1-50 EEs: $1,595.70/week ($82,976.40/year)** **51+ EEs: $1,773/week ($92,196/year)**	Effective Jan 1, 2027; low threshold is 2.25x state minimum wage ($17.73/hr), high is 2.5x
WA computer professionals	**$62.06/hour**	Effective Jan 1, 2027; hourly-paid computer professionals; 3.5x state minimum wage
Colorado	**Expected: ~$59,900/year for EAP EEs and ~$134,775 for Highly Compensated EEs**	Effective early 2027; exact date and amount to be determined by CO's PAY CALC Order
California	**$72,384/year**	Effective Jan 1, 2027; 2x state minimum wage ($17.40/hr)
California computer software	**$127,108.34/year ($61.03/hour)**	Effective Jan 1, 2027
Maine	**$905.79/week ($47,101.08/year)**	Effective Jan 1, 2027; annual pay must be at least 3,000x hourly minimum wage

© SixFifty 2026

Pay transparency & pay data reporting

Columbus | Pay ranges

Effective: January 1st, 2027

Employers with 15 or more employees in Columbus, Ohio must include a reasonable wage range in job postings. Postings for internal transfers and promotions are excluded. Reasonableness depends on factors such as budget, applicant experience, and market pay.

Illinois | Equal pay filings

Effective: January 1st, 2027

For employers with 100+ Illinois employees, the state will reject Equal Pay Registration Certificate filings that list an employee's sex or race as "prefers not to identify." Use the revised reporting template and review your data before year-end.

California | Pay data

Effective: January 1st, 2027

For employers with 100+ employees, the penalty for a repeat failure to file the annual pay data report rises to $1,000 per employee. See the California section.

sixfifty

Leave, EEO, and Hiring updates

Paid leave programs and employee protections keep expanding

© SixFifty 2026

Paid family & medical leave changes

State	Effective	What changed
Maryland	**Jan 1, 2027**	Payroll contributions begin (0.9% of wages); first payment due April 30; benefits in 2028
Massachusetts	**Jan 1, 2027**	Employer and employee shares of medical and family leave contributions change
New York	**Jan 1, 2027**	Paid family leave reaches union construction employees who work for multiple employers
Oregon	**Proposed**	18 Paid Leave Oregon rule changes proposed, not final; comments due Dec 4
California	**By July 1, 2028**	Paid Family Leave expands for military families when claim system is updated

© SixFifty 2026

Maryland: Paid leave contributions begin

FAMLI program: Payroll deductions start January 1st, 2027

- The total contribution is 0.9% of wages. Employers may withhold up to half (0.45%) from employee pay.
- Every employer with at least one Maryland employee remits quarterly. The first payment is due April 30, 2027.
    - Employers with fewer than 15 employees remit only the employee half.



sixfifty

Massachusetts: PFML contribution split changes

Effective January 1st, 2027

- **Medical leave:** Employers may deduct up to 100% of the contribution from wages (was 40%)
- **Family leave:** Employers must pay 60% and may deduct up to 40% (was up to 100% employee-paid)
- Tax treatment of benefits changes too:
  - Family leave benefits are taxable to employees
  - Medical leave benefits are not

© SixFifty 2026

sixfifty

Leave beyond paid family leave

Illinois | Paid jury duty

Effective: January 1st, 2027

Employers with more than 25 employees must pay employees their regular rate of pay for time spent serving on jury duty. Existing protections against retaliation for jury service still apply.

Illinois | Volunteers

Effective: January 1st, 2027

Employers may not penalize volunteer emergency workers in any way for absences for required training. Before, only termination was barred. Employers also may not require vacation or comp time for these absences.

California | Bereavement

Effective: January 1st, 2027

For employers with five or more employees, bereavement leave now covers the death of a “designated person” the employee identifies. See the California section.

Equal Employment Opportunity: 2027 updates

Menopause protections arrive, and states adjust accommodation and hiring-preference rules.

Illinois

Effective: January 1st, 2027

"Pregnancy" under the Human Rights Act now includes menopause-related conditions, so accommodation duties apply, such as flexible scheduling.

Philadelphia, PA

Effective: January 1st, 2027

Employers may not discriminate based on menstruation, perimenopause, or menopause under the city's Fair Practices Ordinance.

Washington

Effective: January 1st, 2027

Employers may not require a provider's certification for pregnancy-related limits on lifting over 17 pounds. State complaint records are now confidential.

Alabama

Effective: January 1st, 2027

Private employers may adopt a written, uniformly applied veterans' preference policy for hiring and promotion, and must notify the Department of Workforce.

Florida

Effective: January 1st, 2027

Counties and cities may not fund or promote DEI programs. Their contractors and grant recipients must certify they will not use local funds for DEI instruction.

California

Effective: January 1st, 2027

Protections against immigration-related retaliation expand. See the California section.

Hiring, verification & worker classification

Illinois limits driver's license requirements

Effective: January 1st, 2027

Employers with 15+ employees may not require a driver's license in a job posting unless driving is an essential function and a business necessity. If required, the posting must say why.

Washington Fair Chance Act applied to small employers

Effective: January 1st, 2027 (under 15 employees)

Rules already in effect for larger employers now apply to all: No criminal history questions allowed before a conditional offer, and notice and a written decision are required before adverse action.

Tennessee lowers verification threshold

Effective: January 1st, 2027

Employers with one or more employees (previously six or more) must keep copies of new hires' identity and work authorization documents or use E-Verify.

North Carolina adds portable benefits

Effective: January 1st, 2027

Businesses may contribute to portable benefit accounts for independent contractors who opt in. Contributions are not evidence of an employment relationship.

AI and workplace safety updates

AI rules take effect while health care safety requirements grow

© SixFifty 2026

sixfifty

Colorado ADMT Act: SB 189 takes effect

Effective January 1st, 2027

Applies when:
Employers use automated decision-making technology (ADMT) to materially influence consequential employment decisions, such as hiring, firing, promotion, or pay.

Three employer obligations:

1. **Notice:** Tell employees and applicants, at the point of interaction, when a covered ADMT is in use.
2. **Adverse action process:** Within 30 days, explain the ADMT's role in plain language, allow data correction, and offer meaningful human review.
3. **Three-year recordkeeping:** Keep records showing compliance for at least 3 years.

What to watch

Attorney General rules are pending:
Proposed rules were filed August 11, 2026. Final rules are due before January 1st.

Developer obligations:
Developers must give deployers technical documentation and notice of material updates.

Penalties & enforcement:

- Up to $20,000 per violation
- 60-day notice and chance to cure

© SixFifty 2026

sixfifty

Illinois: AI whistleblowers & layoff reporting

AI Safety Measures Act (SB 315)

Effective January 1st, 2027
The Whistleblower Act now protects employees who report, in good faith, violations of the new Artificial Intelligence Safety Measures Act.

Who is covered:
Employers with one or more employees in Illinois.

Layoff reporting (SB 807)

Effective January 1st, 2027
Employers with 75+ Illinois employees must report layoffs or separations of 50 or more employees at a single site to the Department of Employment Security.

Reports include names, Social Security numbers, and separation dates. Willful failures can cost up to $750 per day.

© SixFifty 2026

sixfifty

Health care: Violence prevention & training

- **New York:** General hospitals must complete annual safety and security assessments and adopt written workplace violence prevention plans.
- **Oregon:** A new OSHA rule requires a workplace violence prevention program, periodic assessments, annual training, and an incident log. Home health agencies and home hospice programs are newly covered.
- **Connecticut:** Homemaker-companion agencies must give new employees eight paid hours of training within 90 days of hire, plus annual continuing education.



All effective January 1, 2027.

California updates

New rates, AI limits, and worker protections for 2027

© SixFifty 2026

sixfifty

California pay rates: What changes on January 1st, 2027

The state minimum rises to $17.40, and several cities set higher local rates:

Jurisdiction	Current	2027	Increase
California (statewide)	$16.90	**$17.40**	$0.50
Palo Alto	$18.70	**$19.25**	$0.55
San Diego	$17.75	**$18.35**	$0.60
San Mateo (city)	$18.60	**$19.25**	$0.65
San Mateo County (uninc.)	$17.95	**$18.58**	$0.63
Burlingame	$17.86	**$18.47**	$0.61
Half Moon Bay	$17.91	**$18.51**	$0.60
West Hollywood (non-hotel)	$20.25	**$20.94**	$0.69

All rates take effect January 1st, 2027. West Hollywood hotel workers have a separate $20.87 rate for July 1, 2026–June 30, 2027.

Exempt salary minimum: **$72,384/year**

2× the state minimum; white-collar exemptions

Computer software exemption: **$61.03/hour**

$127,108.34/year; up 3.7%

Agricultural job orders (AB 2646): **$19.75/hour**

Workers hired through state job orders (primarily H-2A guest workers)

SF health care spending: **$4.49 / $2.99 per hour**

100+ / 20–99 workers; up from $4.11 / $2.74

sixfifty

California: AI rules for workplace decisions and layoffs

SB 947: Automated decision systems

Effective January 1st, 2027; Operative July 1st, 2027

- **Human review:** employers may not rely solely on an ADS for discipline or termination. If a decision relies primarily on ADS output, a person must corroborate it.
- **Prohibited uses:** violating employment laws, inferring protected status, or predicting and punishing the exercise of legal rights
- **Written notice:** give a separate notice of the right to request a description of the employee's own data used by the ADS
- **Penalties:** injunctive relief, punitive damages, attorneys' fees, and $500 per violation; retaliation prohibited

SB 951: WARN notices and AI layoffs

Effective January 1st, 2027

- **Applies when:** AI or other automated technology causes all or a substantial part of a covered mass layoff, relocation, or termination
- **Required heading:** “This notice is for a technology displacement” at the top of the notice
- **Required details:** affected employees, job classifications, and locations; job functions being automated; and the category or type of technology involved

© SixFifty 2026

sixfifty

California: New limits on workplace surveillance

AB 1883: Emotion and neural data

Effective January 1st, 2027

- **Banned:** Using AI-enabled surveillance tools to recognize, infer, or predict an employee's emotional state
- **Also banned:** Using surveillance tools to collect employees' neural data
- **Still allowed:** Safety monitoring, as long as the tool doesn't perform these functions

AB 1331: Bathroom surveillance

Effective January 1st, 2027

- **Banned:** Using surveillance tools to monitor employees in workplace bathrooms
- **Employee right:** Leave surveillance tools they carry or wear behind before entering a bathroom
- **Both laws:** Up to $500 per violation, enforced by the Labor Commissioner and public prosecutors

© SixFifty 2026

sixfifty

California: Immigration-related retaliation

AB 2495 expands existing protections against unfair immigration-related practices, effective January 1st, 2027.

What's prohibited

Retaliating for exercising any workplace right by:

- Demanding more or different documents than required
- Misusing E-Verify
- Threatening to contact immigration authorities

Also banned: Using perceived immigration status to discourage someone from exercising a right

Enforcement

- Adverse action within 90 days of protected activity is presumed retaliatory
- Civil penalty up to $10,000 per person, per violation, paid to the person harmed
- Courts may also suspend business licenses

Who's covered

- Applicants, current employees, and former employees
- Actual immigration status is irrelevant to liability

sixfifty

California leave: Bereavement & Paid family leave

Bereavement leave now covers a designated person. Expanded PFL benefits for military families start later.

Bereavement leave (SB 1149)

Effective January 1st, 2027 · employers with 5+ employees

Employees may take leave for the death of a designated person, not only listed family members.

- **Designated person:** Someone related by blood, or whose relationship is like family
- Employees can name the designated person when they request leave
- Employers may limit employees to one designated person per 12 months

Action: Add “designated person” to your bereavement policy and request form.

Paid Family Leave (AB 2054)

Operative when EDD updates its claims system, or by July 1, 2028

Wage-replacement benefits expand for military families.

- **Regular Armed Forces:** Training and deployment in any location, not only abroad
- **Reserves and National Guard:** Training, duty in any location, and calls to state or federal active duty
- A state benefit paid to the employee; no new employer leave entitlement

sixfifty

California: More changes to know

Six smaller changes employers should know about for 2027.

Restraining orders (AB 1961)

Effective: January 1st, 2027

Employers may seek a workplace violence restraining order covering all employees at a location, without naming an individual employee.

Records requests (SB 1316)

Effective: January 1st, 2027

Records an employer fails to produce to the Labor Commissioner on request cannot be used as evidence in any way. Wage liens can be renewed.

Pay data reports (SB 1237)

Effective: January 1st, 2027

For employers with 100+ employees, the penalty for a repeat failure to file rises to $1,000 per employee (from $200). Next deadline: May 12, 2027.

Opioid training (AB 2150)

Effective: January 1st, 2027

Employers that require CPR certification must also require an approved online naloxone (Narcan) training module.

Meal periods (AB 2078)

Effective: January 1st, 2027

The collective bargaining exemption from meal period rules now covers stationary engineers doing building maintenance work.

Stay-or-pay contracts (AB 1697)

Effective: Contracts entered on or after January 1st, 2027

No repayment, debt collection, or fees triggered by a worker leaving. Exceptions include transferable credentials and certain bonuses. Damages: $5,000 per worker, or actual damages if greater.

sixfifty

Three proposed federal changes

- **Proposed DOL rule on employee/contractor status**
  - On October 28, 2026, the White House Office of Information and Regulatory Affairs (OIRA) completed its review of the proposed rule.
    - Next step: Publication in the Federal Register
  - The proposed rule will return the standard for determining whether a worker is an employee or contractor under the FLSA to the "economic reality" test, which gives the most weight to the worker's control over the work and opportunity for profit or loss.
  - The proposed rule will not change state worker classification tests.

© SixFifty 2026

Three proposed federal changes, continued

- **Proposed DOL rule on joint employment**
  - On November 13, 2026, the DOL submitted the proposed rule to OIRA for review.
  - The proposed rule would create a regulatory framework for determining joint employment status under the Fair Labor Standards Act (FLSA), Family and Medical Leave Act (FMLA), and Migrant and Seasonal Agricultural Worker Protection Act (MSPA)
  - The proposed framework focuses on whether an entity hires or fires employees, supervises and controls work schedules or conditions of employment, determines pay rates and methods, and maintains employment records.

© SixFifty 2026

Three proposed federal changes, continued

- **Proposed EEOC rule rescinding reporting requirements**
  - On November 19 2026, the EEOC submitted its proposed rule to OIRA for review.
  - The proposed rule would eliminate annual demographic reporting by race, ethnicity, sex, and job category across EEO-1 (private employers with 100+ employees and certain federal contractors with 50+ employees), EEO-2 (apprenticeship programs), EEO-3 (local unions), EEO-4 (state and local governments), EEO-5 (elementary and secondary school staff), and EEO-6 (higher education staff).
  - The EEOC has not opened the portal for filing 2025 reports and has not announced a filing window.

© SixFifty 2026

Looking ahead to 2027

- With a divided federal government, we are unlikely to see many significant employment law changes on the federal level in 2027 beyond the aforementioned three rules.

- On the state level, however, **2027 could be one of the busiest years for employment law changes** that we have seen since the pandemic.



© SixFifty 2026

Potential for state changes

When it comes to predicting employment law changes in 2027, states generally fall into three buckets:

- **1st bucket: Unlikely to see many significant changes**
    - States where the governorship and both bodies of the legislature are controlled by Republicans *and* states with divided government.
- **2nd bucket: Likely to see a steady stream of changes**
    - States where the governorship and both bodies of the state legislature will continue to be controlled by Democrats.
- **3rd bucket: Likely to see a significant number of changes**
    - States where, starting in 2027, the balance of power will shift so that Democrats control both the governorship and both bodies of the legislature.

© SixFifty 2026

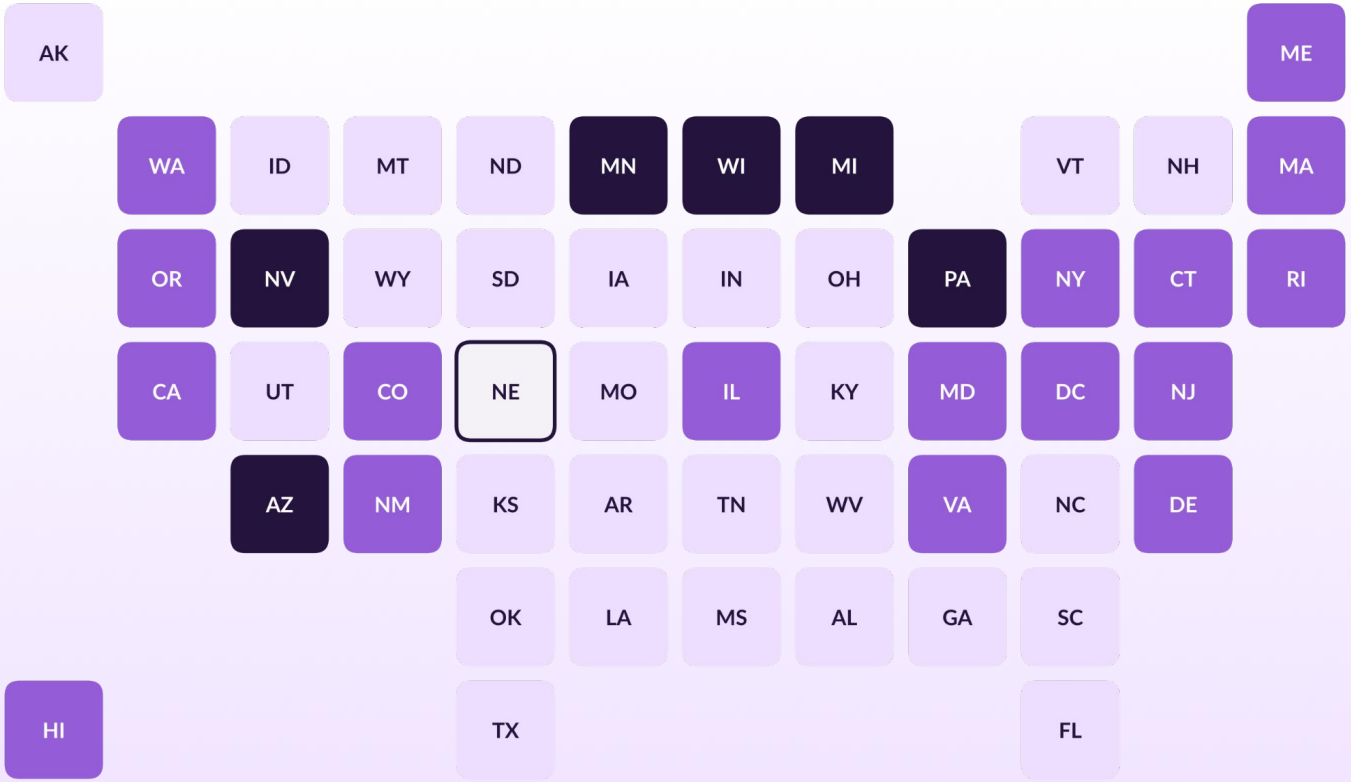
sixfifty

What changed after the midterm elections?

- **1st bucket: Unlikely to see many significant changes**
  - Pre-election: 23 Republican and 10 divided
  - Post-election: 17 Republican and 10 divided
- **2nd bucket: Likely to see a steady stream of changes**
  - 16 states will stay in Democratic control
- **3rd bucket: Likely to see a significant number of changes**
  - 6 states have moved to full Democratic control: Arizona, Michigan, Minnesota, Nevada, Pennsylvania and Wisconsin

© SixFifty 2026

sixfifty


AK
ME
WA
ID
MT
ND
MN
WI
MI
VT
NH
MA
OR
NV
WY
SD
IA
IN
OH
PA
NY
CT
RI
CA
UT
CO
NE
MO
IL
KY
MD
DC
NJ
AZ
NM
KS
AR
TN
WV
VA
NC
DE
OK
LA
MS
AL
GA
SC
HI
TX
FL
Significant number of changes likely
6 states newly in Democratic control
Few significant changes likely
17 Republican · 10 divided
Steady stream of changes likely
16 states + D.C. staying Democratic
Nonpartisan legislature
Nebraska

SIXfifty

Virginia: A case study in what to expect

Democrats gained control of the Virginia governorship and both houses of the legislature in January 2026. Here's what's changed since then:

- **Pay transparency law**: Took effect July 1, 2026
- **Paid sick leave law**: First phase effective July 1, 2027
- **Paid family medical leave insurance Program:** Contributions start April 1, 2028, benefits start December 1, 2028
- **New restrictions on non-competes:** Took effect July 1, 2026
- **Changes to minimum wage:** Increasing the state minimum wage to $15 by January 1, 2028, and expanding rules to cover farm workers

© SixFifty 2026

sixfifty