The Human Resource Consulting Group

We Care for the People who Care for Your Clients

COMPLIANCE UPDATES & RESOURCES

YEAR-END 2026 • INCLUDING CHANGES THROUGH JULY 2027

Dear Reader,

The following is a summary of federal, state, and local employment-law developments that may affect your employee handbook, required postings, hiring practices, and payroll. This edition covers changes that took effect this fall as well as several arriving in December and January 2027, so you have time to plan.

The biggest items this cycle are the January 1, 2027 minimum wage increases in 15 states and more than 40 cities and counties, reduced paid family leave benefits in the District of Columbia, new captive audience limits in Delaware, and delayed "stay or pay" prohibitions in California and New York.

Not every update applies to every organization. Many of these updates call for handbook revisions, new postings, employee notices, or state-specific addenda. Let our HR experts handle it for you; Contact us, and we'll review your handbook, draft the addenda and notices, brief your team, and keep you compliant and audit-ready.

AT A GLANCE — WHAT THIS MAY MEAN FOR YOU

NEW POSTINGS & NOTICES	Multiple States and Localities With Minimum Wage Increases in 2027, District of Columbia, New York
HANDBOOK & POLICY CHANGES	California, Delaware, District of Columbia, New York, Oklahoma
UPDATED HIRING & IMMIGRATION REGULATIONS	Federal (Automatic Work Permit Extensions & Post-Termination Grace Periods)
NEW PAYROLL & WAGE REQUIREMENTS	Multiple States and Localities With Minimum Wage Increases in 2027, Federal (Contractor Minimum Wage), District of Columbia

COMPLIANCE CALENDAR — PLAN AHEAD

Key dates covered in this edition, in order. Items marked **Plan ahead** have longer runways, but vendor reviews, policy drafting, and notice distribution take time — starting now avoids a last-minute scramble.

Effective	Jurisdiction	What changes	Status
Sep 30, 2026	California	Stay-or-pay prohibition paused for 2026	IN EFFECT
Sep 30, 2026	Delaware	Captive audience meeting limits (4+ employees)	IN EFFECT
Oct 1, 2026	District of Columbia	Shorter paid family leave durations; $1,100 weekly maximum	IN EFFECT
Nov 1, 2026	Oklahoma	Drug testing and medical cannabis changes	IN EFFECT
Nov 8, 2026	New York	Personnel records access rights	IN EFFECT
Dec 19, 2026	New York	Stay-or-pay prohibition takes effect	UPCOMING
Jan 1, 2027	California	Stay-or-pay prohibition applies to new contracts	UPCOMING
Jan 1, 2027	Multiple	Minimum wage increases in 15 states and 40+ localities	UPCOMING
Jan 6, 2027	Federal	Federal contract minimum wage rises to $14.05	UPCOMING
Jul 1, 2027	Multiple	Mid-year minimum wage updates (Alaska, D.C., Oregon, many cities)	PLAN AHEAD

FEDERAL COMPLIANCE UPDATES

Immigration Watch: Work Authorization Developments

Federal | **Court ruling and proposed rule**

Two recent federal developments could affect employees who rely on temporary work authorization.

Automatic work permit extensions. A federal judge in California ruled that a rule eliminating the automatic extension of immigrants' work permits did not follow procedural requirements and should be set aside. The ruling has been described as a limited win for spouses of H-1B workers, and its scope may be narrow, so confirm how it applies to any affected employees before relying on it.

Post-termination grace period. The Department of Homeland Security has proposed a rule that would require certain nonimmigrant employees whose employment has ended to depart the U.S. immediately unless they have separate authorization to remain. This is a proposal only; it is not yet in effect.

✔ **ACTION ITEMS**
Keep tracking work authorization expiration dates, consult immigration counsel before acting on the court ruling, and watch for a final DHS rule.

STATE & LOCAL COMPLIANCE UPDATES

California: "Stay or Pay" Prohibition Delayed Until 2027

California | Amended September 30, 2026 | Now effective January 1, 2027

California's prohibition on "stay or pay" clauses in employment contracts, which applies to employers of all sizes, has been put on hold. The law had been in effect since January 1, 2026, but an amendment effective September 30, 2026, makes it inoperative for all of 2026. The prohibition now covers only contracts entered into on or after January 1, 2027.

Broad definition remains. Covered contracts still include promises or agreements of any kind, whether written or oral, express or implied.

Expanded exceptions. The amended law adds exceptions for arrangements such as grants and retention bonuses.

✔ **ACTION ITEMS**
Use the extra time to review repayment, training-cost, retention bonus, and similar agreements, and update templates so any California agreements signed on or after January 1, 2027, comply.

Delaware: Limits on Captive Audience Meetings

Delaware | Effective September 30, 2026

Delaware employers with four or more employees are now subject to a new captive audience law. Employers may not take, or threaten to take, adverse action against an employee for declining to attend an employer-sponsored meeting whose purpose is to share the employer's opinion on political or religious matters.

✔ **ACTION ITEMS**
Review meeting and communication practices, update handbook language, and brief supervisors so attendance at meetings on political or religious matters is never required or tied to discipline.

District of Columbia: Paid Family Leave Benefits Reduced

District of Columbia | Effective for claims filed on or after October 1, 2026

The D.C. Paid Family Leave program, which applies to employers of all sizes, has reduced its maximum benefit durations and weekly benefit for claims filed on or after October 1, 2026. An updated version of the required employee notice is available from the D.C. Office of Paid Family Leave.

Shorter durations. Medical leave drops to 10 weeks (from 12), and family leave drops to 6 weeks (from 12). Parental leave (12 weeks) and prenatal leave (2 weeks) are unchanged.

Combined maximum. The combined maximum for any mix of parental, family, and medical leave remains 12 weeks in a year, except for pregnant employees, who can receive up to 14 weeks (2 weeks of prenatal leave plus 12 weeks of parental leave).

Lower weekly benefit. The maximum weekly benefit falls from $1,190 to $1,100. It will continue to be adjusted each year based on the consumer price index.

Scheduled to be temporary. Absent a future change in the law, medical and family leave return to 12 weeks each for claims filed on or after October 1, 2030. The weekly benefit reduction is not scheduled to revert.

✔ **ACTION ITEMS**
Post and distribute the updated D.C. Paid Family Leave employee notice, revise handbook and leave-policy descriptions of benefit durations and amounts, and update guidance for employees planning leave.

New York: Personnel Records Access Law

New York | S3460 | Effective November 8, 2026

New York employers of all sizes must give current and former employees access to their personnel records and notify them when certain negative information is added. S3460 was signed September 9, 2026.

What counts as a personnel record. Any record identifying an employee that is used, or could be used, to make decisions about qualifications for employment, promotion, transfer, compensation, or discipline. At a minimum, it includes the employee's name, address, date of birth, job title and description, and pay; start date, job application, and any résumé or inquiry sent in response to a job ad; and all performance evaluations, written warnings, probationary-period information, signed waivers, dated termination notices, and discipline-related documents. Employers remain responsible even if a third party stores the records.

Notice of negative information. Employers must notify an employee within 10 days of adding information that has been or could be used to negatively affect their qualifications for employment, promotion, transfer, or compensation, or that could subject them to discipline. The law does not specify a method, but written notice is safest because it also documents compliance.

Review and copies. On written request, employers must provide a free copy of the record within five business days. Reviews may be limited to two per calendar year, but a review prompted by new negative information does not count toward the limit.

Disputed information. If the employer and employee cannot agree to remove or correct contested information, the employee may add a written statement explaining their position, which must stay in the record as long as the contested information does.

Recordkeeping. Keep each employee's complete personnel record from the date of hire until three years after employment ends.

✔ **ACTION ITEMS**
Update personnel-record procedures and any related policy, set up a process that meets the five-business-day copy deadline and the 10-day negative-information notice, and make sure anyone who writes up employees understands the law.

New York: "Stay or Pay" Prohibition Delayed and Updated

New York | A 09452 | Effective December 19, 2026

New York has updated its law prohibiting "stay or pay" agreements and postponed its effective date by one year, to December 19, 2026. The law applies to employers of all sizes. A 09452 was signed February 13, 2026.

What's prohibited. The law still prohibits most agreements that require employees to pay the employer if their employment ends before a certain amount of time.

What changed. The update expands and clarifies the types of repayment agreements employers are allowed to use.

✔ **ACTION ITEMS**
If you use repayment, training-cost, or similar arrangements, whether in offer letters, contracts, policies, or informal practices, work with counsel to review and update them before December 19, 2026.

Oklahoma: Drug Testing and Medical Cannabis Changes

Oklahoma | HB 3127 | Effective November 1, 2026

Oklahoma's medical cannabis law changes for employers of all sizes. HB 3127 was signed April 17, 2026.

Zero tolerance for safety-sensitive positions. Employers must apply zero-tolerance drug and alcohol policies to applicants for, and employees in, safety-sensitive positions. The law does not define "zero tolerance," but such policies often mandate adverse action without exception when someone possesses, uses, tests positive for, or is impaired by substances at work.

Updated safety-sensitive definition. Positions now qualify based on high-risk duties identified in the law, such as handling hazardous materials, operating vehicles or machinery, or providing patient or child care. The list is not exhaustive, so similar duties may also qualify. Previously, any position could qualify if the employer reasonably believed its duties could affect health or safety.

Positive cannabis tests. Employers with a lawful written drug testing policy may take adverse action based solely on a positive cannabis test. Previously, adverse action was allowed only if the individual lacked a medical cannabis license, consumed or possessed cannabis at work, or held a safety-sensitive position.

✔ **ACTION ITEMS**

- Review and update drug and alcohol policies to apply zero-tolerance standards to safety-sensitive positions and, if desired, to address adverse action for positive cannabis tests.
- Identify which roles qualify as safety-sensitive under the duty-based definition.
- Train HR and managers on the revised definition and when adverse action is permitted.

WAGE & HOUR

Federal Contract Minimum Wage Increases for 2027

Federal | Executive Order 13658 | Effective January 6, 2027

The minimum wage for work on federal contracts covered by Executive Order 13658 will increase to $14.05 per hour (from $13.65) for nontipped employees and to $9.85 per hour (from $9.55) for tipped employees, the Department of Labor has announced.

✔ **ACTION ITEMS**

If you hold covered federal contracts, update pay rates for work on those contracts by January 6, 2027.

January 1, 2027 Minimum Wage Increases (State & Local)

Multiple jurisdictions | Effective January 1, 2027 unless noted

Fifteen states raise their minimum wage on January 1, 2027, and Vermont will follow once it announces its rate. New York will not increase because an economic off-ramp in its law was triggered. At least 40 cities and counties also change, mostly in California and Washington. Oklahoma voters rejected a $15-by-2029 measure in June 2026.

State increases	January 1, 2027 rate (2026 rate); notes
Arizona	$15.65 (from $15.15)
California	$17.40 (from $16.90); exempt salary threshold rises to $72,384/year

State increases	January 1, 2027 rate (2026 rate); notes
Colorado	$15.71 (from $15.16); tipped $12.69
Connecticut	$17.48 (from $16.94)
Maine	$15.70 (from $15.10); tipped/service $7.85 (from $7.55); overtime-exempt salary threshold $905.79/week ($47,101.08/year)
Michigan	$15.00 (from $13.73); tipped cash wage $6.30 (from $5.49)
Minnesota	$11.87 (from $11.41); 90-day training wage (under 20) $9.68 (from $9.31)
Montana	$11.20 (from $10.85); annual cost-of-living adjustment
Nebraska	$15.26 (from $15.00); yearly raises set at 1.75% (LB 258)
New Jersey	$16.48 (from $15.92); small and seasonal employers $15.77; separate agricultural and tipped rates
Ohio	$11.40 (from $11.00); tipped $5.70 (from $5.50); applies to employers with over $419,000 in annual gross receipts
Rhode Island	$17.00 (from $16.00); set in state law
South Dakota	$12.30 (from $11.85); tipped cash wage $6.15
Virginia	$13.75 (from $12.77); $15.00 on January 1, 2028; farmworkers covered by the state minimum starting January 1, 2027
Washington	$17.73 (from $17.13); ages 14–15 (85%): $15.07 (from $14.56)
Vermont	**Pending.** 2026 rate $14.42; 2027 rate not yet posted. The formula points to about $14.91 (tipped about $7.46) — an estimate only

No January 1 change	What happens instead
New York	No January 1 inflation increase because the law's economic off-ramp was triggered. Rates stay $17.00 (NYC, Long Island, Westchester) and $16.00 (rest of state). A proposed fix would take effect March 1, 2027, if the Legislature approves it
Missouri	Stays $15.00; HB 567 (2025) repealed the yearly inflation raises
Alaska	$15.00 on July 1, 2027
Florida	Stays $15.00 through December 31, 2027; next change January 1, 2028
Hawaii	$18.00 on January 1, 2028
District of Columbia	Inflation update July 1, 2027; amount not yet set
Oregon	Inflation update July 1, 2027; amount not yet set

California localities	January 1, 2027 rate (2026 rate); notes
West Hollywood	$20.94 (from $20.25); non-hotel employees; hotel employees stay $20.87 until June 30, 2027
Sunnyvale	$20.05 (from $19.50)
Richmond	$19.61 (from $19.18)
Belmont	$19.60 (from $18.95)
El Cerrito	$19.36 (from $18.82)
Redwood City	$19.30 (from $18.65)

California localities	January 1, 2027 rate (2026 rate); notes
Cupertino, Los Altos, Palo Alto, Santa Clara	$19.25 (from $18.70)
San Mateo (city)	$19.25 (from $18.60)
San Jose	$19.00 (from $18.45)
Petaluma	$18.93 (from $18.31); learner's wage $16.10 (from $15.56)
Santa Rosa	$18.83 (from $18.21)
South San Francisco	$18.75 (from $18.15)
San Mateo County (unincorporated)	$18.58 (from $17.95)
Half Moon Bay	$18.51 (from $17.91)
Burlingame	$18.47 (from $17.86)
Hayward	$18.39 (from $17.79); 26+ employees; 25 or fewer pay the state $17.40
San Carlos, San Diego	$18.35 (from $17.75)
Novato	$18.25 (from $17.73); 100+ employees; 26–99: $17.97 (from $17.46); 1–25: state rate

Washington localities	January 1, 2027 rate (2026 rate); notes
Tukwila	$22.45 (from $21.65)
Burien	$22.49 (more than 15 employees); $20.49 (15 or fewer) — confirm tiers, see below
Renton	$22.28 (from $21.57); 15+ employees or over $2M Renton revenue; others pay the state rate
Seattle	$22.14 (from $21.30); all employers
King County (unincorporated)	$21.57 (from $20.82); standard rate; 15 or fewer employees and under $2M revenue: $19.57
Everett	$21.52 (from $20.77); more than 500 employees; 15–499: $20.52 January 1, then $21.52 July 1
SeaTac	$21.47 (from $20.74); hospitality and transportation employers only
Bellingham	$19.73 (from $19.13); all employers

Other localities	January 1, 2027 rate (2026 rate); notes
Denver, CO	$19.84 (from $19.29); tipped $16.82
Edgewater, CO	$19.84 (from $18.17)
Boulder (city), CO	$18.17 (from $16.82); tipped $15.15
Boulder County (unincorp.), CO	**Not final.** County estimate $17.32 ($14.30 tipped); 2026 rate $16.82
Flagstaff, AZ	$18.95 (from $18.35); no tip credit; corrected September 11, 2026, from $19.00
Tucson, AZ	**Not confirmed.** Estimate $16.00; 2026 rate $15.45
Santa Fe (city), NM	$17.50 (from $15.40); set by ordinance
Albuquerque, NM	$13.00 (from $12.00); ordinance enacted June 2026

Other localities	January 1, 2027 rate (2026 rate); notes
Las Cruces, NM	**Not yet announced.** Adjusts January 1 by CPI; 2026 rate $13.01
Minneapolis, MN	$17.02 (from $16.37); all employers
Saint Paul, MN	$17.02 (from $16.37); 101+ employees; 6–100: $16.37 January 1, then $17.02 July 1; 5 or fewer: $14.25 January 1, then $15.00 July 1
Portland, ME	$17.75 (from $16.75); set by 2025 ballot measure; $19.00 in 2028
Howard County, MD	**Not yet announced.** CPI-U adjustment begins January 2027; 2026 rate $16.00
Prince George's County, MD	**Not yet announced.** CPI-U adjustment capped at 5%; 2026 rate $15.30

Mid-year changes. Santa Fe County, NM, adjusts March 1; Montgomery County, MD, Chicago, Cook County, San Francisco, Los Angeles, and other July 1 California cities adjust mid-year.

Still pending — verify before January payroll. Vermont's state rate; New York's proposed March 1, 2027, fix; Menlo Park's proposed $18.05; unconfirmed rates in Daly City, East Palo Alto, Foster City, Mountain View, Oakland, and Sonoma; Burien's tiers; and local rates marked above as not final or not announced. Many city figures come from law-firm and payroll roundups, so confirm each against the official notice.

✔ **ACTION ITEMS**

- Update payroll rates for every affected state and local work location before your first January 2027 payroll, and replace posters as new versions are issued.
- Recheck pending rates (including Vermont and New York) in December, and review exempt salaries in California and Maine against the new thresholds.

RESOURCES & CONTACTS

The HRCG team monitors federal, state, and local employment-law changes regularly and helps employers turn them into the handbook updates, postings, policies, and employee notices their organization needs. When something in this edition applies to you, we can handle the implementation so you stay compliant and audit-ready.

Ready to put these updates into action?

Contact us today, and we'll help you take care of the details.

The Human Resource Consulting Group, LLC | (203) 881-1755 | HRHelp@HR-Consulting-Group.com

This newsletter is provided for general informational purposes only and is not legal advice. Laws and effective dates change, and some 2027 figures are projected; please consult your HRCG consultant or legal counsel before acting on any item.