

# 2026 Employment Law Updates

# AB 250

## Justice for Sexual Assault Survivors Act

- Creates a two - year window (Jan 1, 2026 – Dec 31, 2027) to file previously time - barred sexual assault lawsuits for adult survivors.
- Claims may be brought against:
  - a. The perpetrator, and/or
  - b. An institution that engaged in a “cover - up.”
- “Cover - up” a coordinated effort to conceal evidence or discourage reporting.
- Extends to related employment claims (e.g., wrongful termination, harassment).
- Public entities are exempt from this revival window.





# AB 268

## Diwali Becomes a California State Holiday

- Diwali is now an official California state holiday beginning January 1, 2026.
- State employees receive a paid day off in observance.
- Public schools and community colleges may close for Diwali.
- Schools are encouraged to include educational programs or curriculum recognizing the holiday's cultural and historical importance.
- Courts remain open — Diwali is not a judicial holiday.



# SB 464 Updated Job Categories and Reporting Requirements (CRD)

- Amends Government Code §12999, which requires employers with 100+ employees to submit annual pay data reports to the Civil Rights Department (CRD).
- Employers must now collect and store demographic information separately from employee personnel records.
- Beginning Jan 1, 2027, the number of required job categories in pay data reports increases from 10 to 23.
  - For example, a software developer who was previously grouped under “Professional” now may fall into a category such as “Computer and mathematical occupations,” allowing for more precise pay data analysis.
  - The previous categories were created decades ago by the EEOC and didn’t always reflect today’s workforce, especially in fields like tech, renewable energy, or construction logistics.
- Courts must impose a civil penalty for failure to file, if requested by the CRD.





# SB 294

## Mandatory Workplace Rights Notices for Employees

- Requires Employers give Notice to Employees of their rights
  - Immigration related rights
  - Labor Protections
- Starting February 1, 2026
- Labor Commissioner to develop Notice by Jan. 1, 2026



# SB 617

## Updated CAL-WARN Layoff Notice Requirements for Employers



- Effective Jan 1, 2026, for Industrial and commercial facilities with 75 or more employees in the prior 12 months
- Cal - Warn mandates that employers provide at least 60 days' written notice before a mass layoff, termination/closure, or relocation.
- SB 617 expands the notice requirements, and employers must now:
  - a. indicate whether they plan to coordinate services for affected employees with the LWDB, another entity, or if they do not plan to coordinate any services;
  - b. include the LWDB's contact information and a description of its services; and
  - c. describe the CalFresh program, including its helpline number and website.
- If the employer chooses to coordinate services, it must do so within 30 days of the notice.



# SB 513 Expanded Access to Workplace Records for Employees

- SB 513 Requires Employers to Maintain Education Training Records in Personnel File, that include:



- The name of the employee
- The name of the training provider
- The duration and date of the training
- The core competencies of the training, including skills in equipment or software
- The resulting certification or qualification

# SB 261

## Triple Damages for Employers Who Delay Paying Wages

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- Strengthens penalties for employers who fail to pay final wage judgments or awards.
- DLSE must:
  - Post final wage decisions within 15 days after the appeal period ends.
  - Publicly list employers with unsatisfied final judgments.
- Employers remaining unpaid after 180 days risk penalties up to  $3\times$  the owed amount + interest.
- Courts must award attorneys' fees to prevailing employees.
- Penalty distribution: 50% to employee / 50% to DLSE for enforcement & education.



# AB 692: Protecting Workers from Debt - Trap Job Agreements

- Effective Jan 1, 2026: employment contracts entered into on or after this date may not include terms requiring a worker to pay an employer, training provider or debt collector if the employment relationship terminates.
- The law extends to contracts that impose penalties, fees, or any form of repayment obligation, or that authorize debt collection on the basis of a worker's separation from employment.
- Such contract terms will be treated as a "contract in restraint of trade" and are void under Cal. law.

# AB 692: Protecting Workers from Debt - Trap Job Agreements - cont.

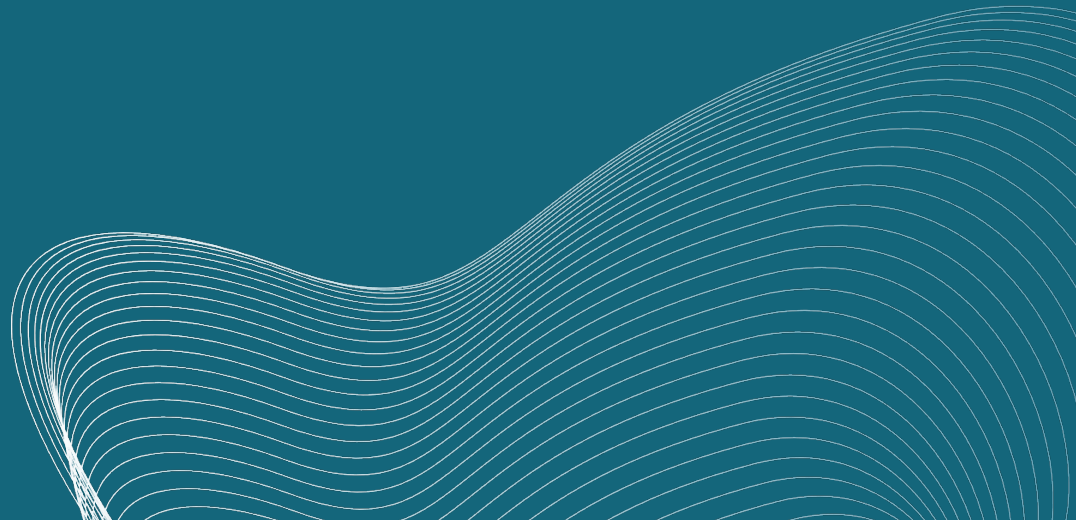
- Exceptions include:
  - Voluntary education programs where the worker is not required to participate as a condition of employment and the agreement is separate from the employment contract.
  - Government Loan Assistance/ Forgiveness Plans: Contracts made under federal, state, or local loan-repayment or forgiveness programs are allowed.
  - Approved Apprenticeship Programs: Agreements tied to enrollment in a Division of Apprenticeship Standards—approved apprenticeship program are allowed.
  - Property-Related Contracts: Agreements related to leasing, financing, or purchasing residential property (e.g., under the California Residential Mortgage Lending Act) are exempt.
- Employers should promptly review and revise their agreements and practices to align with the new requirements and minimize the risk of liability.



# SB 642

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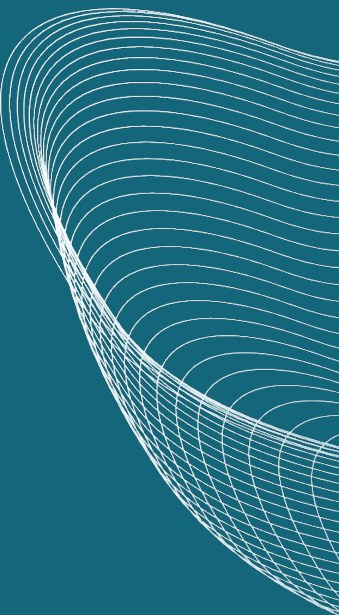
## Pay Transparency and Extended Enforcement for Wage Disparities

- Effective Jan 1, 2026: amends California's Equal Pay Act and pay - scale disclosure requirements.
  - Updates definition of "pay scale" to a good-faith estimate of the salary or hourly wage range the employer reasonably expects to pay upon hire.
  - Extends statute of limitations for Equal Pay Act claims to three years from the last date the violation occurs.
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# SB 642

## Pay Transparency and Extended Enforcement for Wage Disparities - cont.

- Employees may recover pay disparities for up to six years, increasing employers' potential back - pay liability.
- Clarifies when a cause of action “occurs,” including each time unlawful wages or benefits are paid.
- Expands definition of “wages” and “wage rates” to include all forms of compensation: overtime, bonuses, stock/options, profit - sharing, insurance, paid time off, allowances, travel reimbursements, and benefits.
- Employers must keep wage, job classification, and pay scale records during employment plus three years after separation





# AB 774

## New Employer Obligations for Wage Garnishment Notices

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- Withholding begins 30 days after employer is served.
- Employer return form must show: date, who delivered it, and how
- Address verification required by creditors within 10 business days.





# SB 303

## Protecting Admissions During Workplace Bias Training

- California wants to encourage Bias Mitigation Training
- The new law protects employers for liability for employee disclosures of bias during trainings





# AB 406

## FEHA Protections Expanded for Victims of Violence - Amends Government Code Section 12945.8

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- Provides extra protections to Victims of Enumerated Violent and Serious Crimes
  - Prohibits Discriminating or Retaliating against victims for attending a long list of judicial proceedings related to the crime
    - Extends the rights to employees who are family members of a victim
      - Also prohibits employers from requiring reasonable notice of jury duty

# SB 590

## Expanding Paid Family Leave to Designated Persons

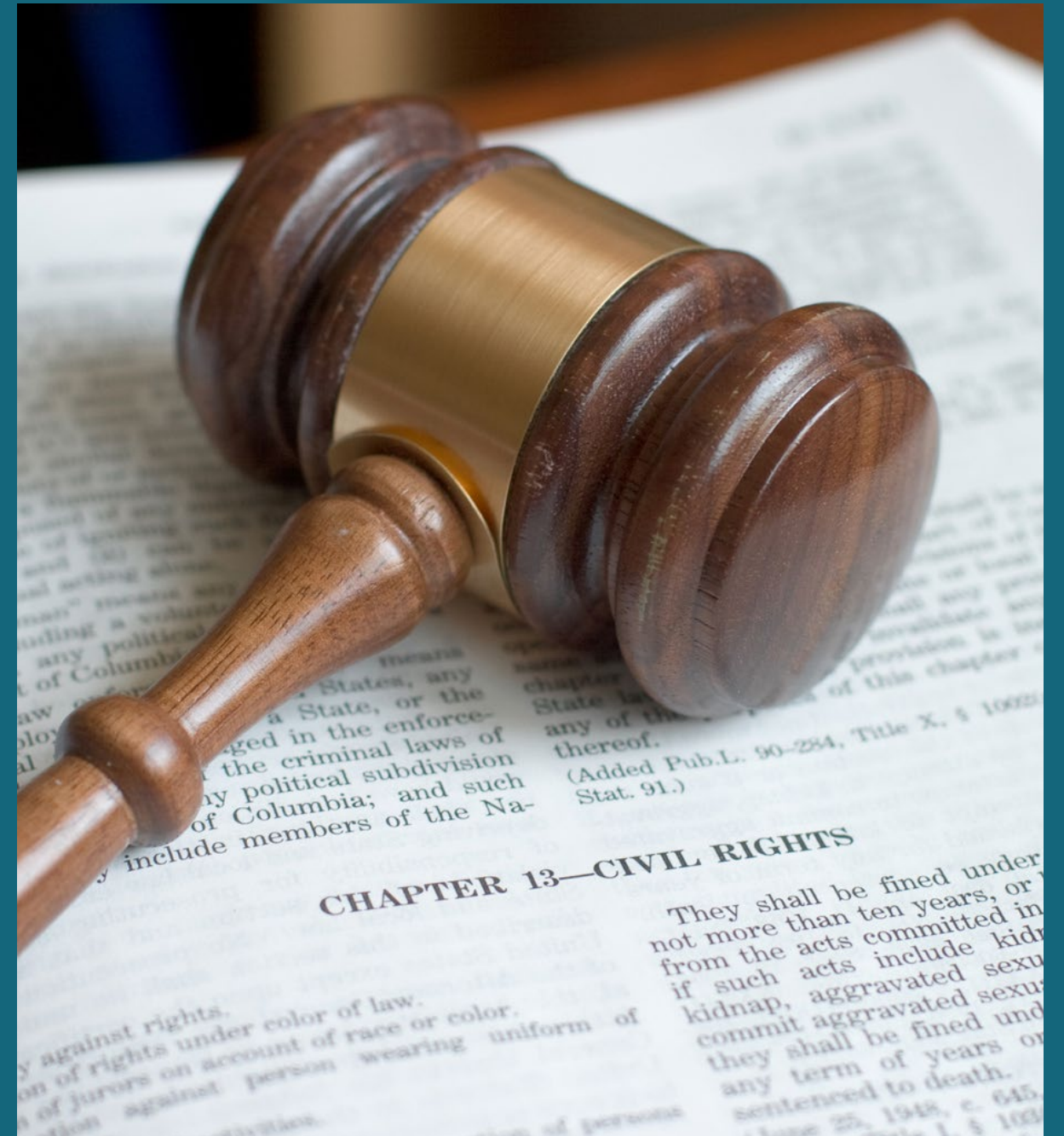
- Effective July 1, 2028: the state Paid Family Leave (“PFL”) program will allow employees to take leave to care for a “designated person” defined as any care recipient related by blood or whose association is the equivalent of a family relationship.
- The bill amends the Unemployment Insurance Code to expand eligibility for wage replacement benefits to this new class of care-recipient.
- Employees filing a PFL claim for a “designated person” must identify that person and attest under penalty of perjury how the relationship qualifies (blood relation or equivalent family-association).
- Employers should prepare now by updating leave policies, modifying handbook definitions of “family member”/ “designated person,” and training HR staff.



# SB 477

## What Expanded CRD Enforcement Means for Employers

- Expands CRD authority for group and pattern - of- practice claims
- Allows delayed right - to - sue notices for broader investigations
- Extends timelines with more tolling options
- Greater CRD involvement before cases reach court



# 2 CCR 1108, 1108.1

## CRD Regulations Regarding the Use of A.I. for Employment Decision Making

- New CRD Regulations aim to prevent algorithmic discrimination by AI and ADS in

- recruitment
- screening
- pre-employment inquiries
- job applications
- interviews
- employee selection and testing
- placement
- promotions
- transfer

- Developers, modifiers, and users remain liable for AI systems
- Liability cannot be avoided by claiming AI acted independently
- Requires:
  - Strong oversight
  - Detailed documentation
  - Proactive risk management
- Human responsibility remains, even when AI makes decisions

# AB 316



# AB 566

- Gives consumers clear control over how their personal information is shared
- Requires businesses to provide an easy, accessible opt-out mechanism
- Employees excluded in their work role, but can be covered as consumers
- Businesses must update privacy notices and data-handling practices

# SB 446

## California's 30-Day Breach Reporting Rule for Businesses

- What It Does
  - Starting January 1, 2026, strict timelines for notifying people after a data breach
  - Applies to employers handling employee, applicant, or contractor data
- New Requirements
  - Must notify affected individuals within 30 calendar days of discovering a breach
  - If 500+ people are affected, a copy of the notice (with no personal data) must be sent to the Attorney General within 15 days
  - Notices must follow a specific format:
    - What Happened
    - What Information Was Involved
    - What We Are Doing
    - What You Can Do
    - For More Information





# SB 446

## California's 30 - Day Breach Reporting Rule for Businesses - cont.

- Delays allowed only if law enforcement says notice would interfere with an investigation or if systems need to be secured first
- Why It Matters for Employers
  - Replaces vague “as soon as possible” rule with a firm 30-day deadline
  - HR and IT must act quickly after a breach involving payroll, benefits, background checks, or personnel data
  - Risk of penalties and loss of employee trust if unprepared
- What Employers Should Do Now
  - Update data breach response plans
  - Update notice templates to include required sections
  - Review contracts with vendors to clarify who handles notifications
  - Applies to employers of all sizes handling personal data from Californians





# SB 19

## Addressing Threats to Employees and Worksites

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- Expands criminal liability for threats to workplaces, schools, and other protected locations
- Threats no longer need to target a specific individual
- Raises importance of threat management and reporting





# AB 1523

## Expanding Mediation in Workplace Disputes

- Previous threshold for court - ordered mediation: \$50,000
- New threshold starting Jan 1, 2027: \$75,000
- Conditions for mediation:
  - Trial date set
  - One party requests mediation
  - No ongoing discovery disputes impacting the case
- No ongoing discovery disputes impacting the case



# SB 847 – Preventing Asset Shielding



TARGETS EMPLOYERS WHO  
TRANSFER PROPERTY TO HIDE  
ASSETS AND AVOID CLAIMS



DIRECTOR OF DEPARTMENT OF  
INDUSTRIAL RELATIONS CAN  
REVIEW TRANSFERS AND  
DETERMINE A RESULTING TRUST



LIEN CAN BE PLACED ON  
PROPERTY IN FAVOR OF THE  
UNINSURED EMPLOYERS  
BENEFITS TRUST FUND (UEBTF)



CLOSES LOOPHOLES AND  
ENSURES INJURED WORKERS  
ARE COMPENSATED



STRENGTHENS THE INTEGRITY  
OF THE WORKERS'  
COMPENSATION SYSTEM



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Phone Number

818-591-6724

# Thanks

# For Watching

Address

23945 Calabasas Rd.

Ste 200

Calabasas, CA 91302

Website

[www.workwiselaw.com](http://www.workwiselaw.com)