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California Looks to 2026 With More Workplace Regulations

California Employment Law Update on **October 17, 2025**

Just as the deciduous trees turn autumn orange and the pumpkin lattes start sloshing about, our busy-bee lawmakers in Sacramento have unveiled a whole new slate of rules and regulations to further finetune the workplaces of California! (Perhaps this year, they'll finally get it "just right"!)

Summary & Impact on Employers	Law
Workplace Know Your Rights Act. By February 1, 2026 (and every year thereafter), employers must provide each employee with a stand-alone written notice summarizing key workplace rights. The notices must disclose: (1) the right to workers' compensation benefits; (2) the right to be notified of immigration-agency inspections; (3) protections against "unfair immigration-related practices"; (4) the right to organize or engage in concerted activity (i.e., to unionize); (5) constitutional rights when interacting with law enforcement at the workplace; (6) information on new legal developments deemed material by the Labor Commissioner; and (7) a list of relevant enforcement agencies.	SB 294 Gómez Reyes (D-San Bernardino)
COVID-19 Right-to-Rehire Extension. Extends COVID-19 "right of recall" protections for hospitality and service-industry employees from December 31, 2025, to January 1, 2027, requiring certain employers to continue offering reemployment to laid-off workers.	AB 858 Lee (D-Milpitas)
Employee Debt Repayment Limitation. Expands California's non-compete prohibition to bar contracts entered into on or after January 1, 2026 that require a worker to repay a debt if employment terminates. Exceptions exist, for example, for loan repayment assistance programs and agreements to repay the cost of tuition for a transferable credential. Violations may trigger civil penalties and allow affected workers to bring actions for relief.	AB 692 Kalra (D-San José)
Pay Equity Enforcement Act. Clarifies employer pay-scale obligations under California's Pay Transparency Law by requiring employers with 15 or more employees to include a "good faith estimate" of the salary or wage range in every job posting, rather than the range the employer might be expected to pay "for the position" generally. The law also updates key provisions of the Equal Pay Act: Terminology: Expands the prohibition on wage discrimination from "employees of the opposite sex" to "employees of another sex."Definition of Wages: Broadens the definition of "wages" to include all forms of compensation, such as bonuses, stock options, per diems, and other non-salary payments.Scope of Violations: Clarifies that a violation may occur each time: (1) an unlawful compensation decision or practice is adopted; (2) an individual becomes subject to it; or (3) an individual is affected by its application, including every instance wages or benefits are paid.Limitations Period: Extends the time to bring a claim to three years from the date of the violation and allows recovery of up to six years of back pay.	SB 642 Limón (D-Santa Barbara)

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Crime Victim Legislation Cleanup. Resolves inconsistencies between the Government Code and Labor Code regarding the permitted use of paid sick leave by crime victims.	AB 406 Schiavo (D-Baldwin Park)
FEHA Clarification. Amends the Fair Employment and Housing Act to specify that an employee's good faith participation in bias-mitigation training—including acknowledging personal bias—does not constitute unlawful discrimination.	SB 303 Smallwood-Cuevas (D-Los Angeles)
Division of Labor Standards Enforcement: Orders, Decisions and Awards. Among other things, authorizes civil penalties of up to three times the unpaid amount for judgments arising from nonpayment of wages left unsatisfied after 180 days.	SB 261 Wahab (D-Fremont)
Employer Pay Data Regulation. Expands the number of job categories that employers must include in their annual pay data reports from 10 to 23. Requires employers to collect and store demographic information used for pay data reporting separately from standard personnel files. Authorizes the Civil Rights Department to enforce compliance with monetary penalties for violations.	SB 464 Smallwood-Cuevas (D-Los Angeles)
Additional WARN Act Notice Requirement. Augments California Worker Adjustment and Retraining Act, which prohibits mass layoffs, relocations, or terminations without written notice to employees, to require that the notice also include whether the employer plans to coordinate services through the local workforce development board, and to provide information about CalFresh (the state's food assistance program).	SB 617 Arreguín (D-Oakland)
Personnel Record Requirements. Expands employer obligations regarding personnel records, requiring that records relating to an employee's performance include education and training information. Employers must ensure such records specify the employee's name, the training provider, the duration and date of the training, the core competencies covered (including skills in equipment or software), and any resulting certification or qualification.	SB 513 Durazo (D-Los Angeles)
Wage Theft and Withheld Tip Penalties. Grants the Labor Commissioner the authority to issue citations and assess penalties against employers that illegally take or withhold employee tips, as prohibited under existing California law.	SB 648 Smallwood-Cuevas (D-Los Angeles)
Construction Trucking: Employees and Independent Contractors. Clarifies that owning a vehicle does not make a driver an independent contractor. Creates the Construction Trucking Employer Amnesty Program to allow contractors to avoid penalties for past driver misclassification if they reclassify workers as employees. Establishes a "two-check" system for construction drivers who own their own trucks: one for wages and one for vehicle reimbursement.	SB 809 Durazo (D-Los Angeles)
Judgment Liens and Wage Garnishment. Requires employers to provide additional information to levying officers in their returns under the Wage Garnishment Law and clarifies officers' service procedures.	AB 774 Bauer-Kahan (D-San Ramon)
Gig Worker Right to Organize. Establishes the Transportation Network Company Drivers Labor Relations Act, granting drivers the right to organize, bargain collectively, and engage in concerted activities (i.e., unionize) for mutual aid or protection irrespective of their status as independent contractors.	AB 1340 Berman (D-Palo Alto); Wicks (D-Oakland)

Here's their latest handiwork:

We will continue to monitor the application and enforcement of these new laws and provide relevant updates as needed.

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