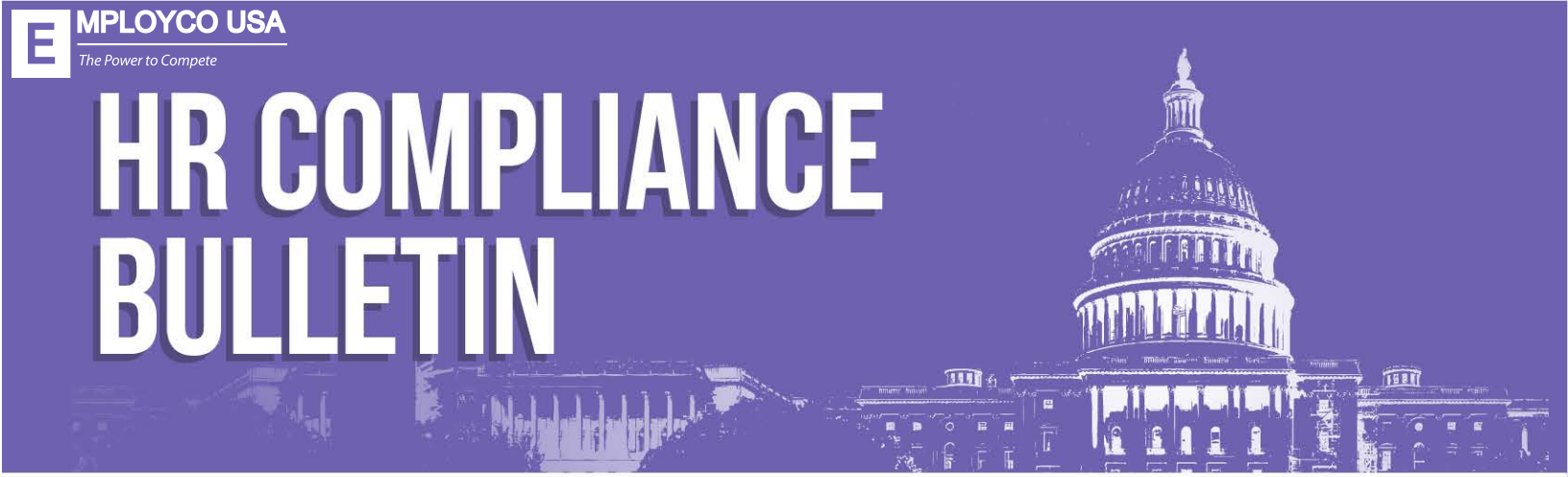
EMPLOYCO USA
The Power to Compete

HR COMPLIANCE BULLETIN



State Employment Laws Effective Jan. 1, 2025

Many states have adopted new or amended existing labor and employment laws that become effect on Jan. 1, 2025. These states include:

- Alaska;
- Colorado;
- Connecticut;
- Delaware;
- Kentucky;
- Michigan;
- Minnesota;
- Missouri;
- Nebraska;
- New Hampshire;
- New York;
- Oregon;
- Rhode Island;
- Washington; and
- West Virginia.

This Compliance Bulletin provides an overview of labor and employment laws that states adopted that are effective Jan. 1, 2025, or in early 2025. However, this bulletin does not address changes to minimum wage rates or data privacy laws. Additionally, California and Illinois are addressed in separate legal updates.

Action Steps

Employers should review these laws and update their employment policies, practices and procedures to remain in compliance. Please contact Employco USA, Inc. for more information on these updates and other labor and employment issues.

Highlights

The following states have enacted new labor and employment laws or amended existing ones:

- Alaska;
- Colorado;
- Connecticut;
- Delaware;
- Kentucky;
- Michigan;
- Minnesota;
- Missouri;
- Nebraska;
- New Hampshire;
- New York;
- Oregon;
- Rhode Island;
- Washington; and
- West Virginia.

Important Dates

Jan. 1, 2024

Effective date for most laws and provisions presented in this bulletin.

Alaska

Reemployment Evaluations (SB 147)

Alaska amended the state's Workers' Compensation Act regarding the process of evaluating an injured worker's eligibility for reemployment benefits if the worker is unable to return to work for 90 consecutive days due to a workplace injury. Previously, an eligibility evaluation could be required if the employee was unable to return to work for 60 consecutive days. The amendment changes the mandatory eligibility evaluation date from 90 days to 120 days to allow more time for injured workers to become medically stable. The amendment also reduces the time that an employee must be unable to return to their employment from 45 days to 25 days before Alaska's workers' compensation reemployment provisions are implicated. Additionally, within 10 days after the employee receives notice of their rights, the employee must elect whether to participate in the reemployment benefit process or the stay-at-work benefits program.

Colorado

Child Labor Penalty Increase (HB 1095)

Colorado amended the state's Youth Employment Opportunity Act (YEOA) to increase the penalties for violations and require the penalties to be deposited into the state wage theft enforcement fund. Under the YEOP, an employer that permits a minor to be employed in violation of the state's child labor laws is guilty of a misdemeanor punishable by a fine of not less than $20 but no more than $100 for each offense. The amendment increases the penalty to a fine of not less than $250 but not more than $1,000, with certain exceptions. Employers that employ a minor in a prohibited hazardous occupation may be required to pay a fine of not less than $2,000 but not more than $4,000. If an employer commits a willful violation when employing a minor in a prohibited hazardous occupation (or if the employer's violation is a second or subsequent violation within five years after their most recent violation), the employer will be required to pay a fine of not less than $5,000 but not more than $10,000. Willful violations—excluding violations for employing minors in prohibited hazardous occupations or a second or subsequent violation of employing minors in prohibited hazardous occupations within five years of the employer's most recent violation—will result in a fine of not less than $500 but no more than $4,000. Additionally, an employer that knowingly violates or fails to comply with the YEOA is guilty of a misdemeanor, which is punishable by a fine of not less than $500 but no more than $2,000 if convicted.

Penalties may be reduced or declined under certain circumstances, such as a minor worker intentionally misleading their employer regarding their age. This amendment also requires the Colorado Division of Labor Standards and Statistics to increase the penalty amounts to account for inflation beginning on Jan. 1, 2026, and every Jan. 1 thereafter. In addition, the amendment prohibits employers from taking disciplinary action or another adverse action against an individual within 90 calendar days after the individual exercised a protected right under the YEOA. If an employer takes such action within 90 calendar days, there is a rebuttable presumption that the action was retaliatory.

Connecticut

Expanded Paid Sick Leave (HB 5005)

Connecticut amended its paid sick leave (PSL) law by phasing in coverage in stages, applying the leave mandate to successively smaller employers yearly until nearly all Connecticut workers are covered by 2027. Additionally, the revisions

modify Connecticut's PSL law by increasing employees' accrual rate, broadening the reasons employees can take leave, and expanding employers' notice and recordkeeping requirements.

Connecticut's current PSL law applies only to "service workers," identified by occupation code numbers and titles used by the federal Bureau of Labor Statistics. The current law is further limited by covering only employers with 50 or more employees and exempting nonprofit organizations. The amendments broadly apply the PSL entitlement to employees, with exceptions only for collectively bargained construction workers with multiemployer health plans and seasonal workers, defined as those who work 120 days or less annually. Starting Jan. 1, 2025, the law will apply to employers with 25 or more employees in the state.

Additionally, under the revisions, employees will start to accrue PSL on the date the employer becomes covered by the law or the employee's first day of employment—whichever is later. Leave will accrue at the rate of one hour for every 30 hours worked (up from 40 hours in the current law), with a maximum accrual of 40 hours per year. Under the current law, employees must be allowed to use their accrued PSL for specified reasons related to their health and well-being and that of their family members, who are defined expansively in the amendments. The amendments also added the following public health reasons for taking PSL:

- For closure by order of a public official, due to a public health emergency, of either an employer's place of business or a family member's school or place of care; and
- For a health official's determination that the employee or a family member poses a risk to public health due to exposure to a communicable illness.

In addition, safe leave was extended to employees whose family members are victims of family violence or sexual assault.

Employers are required to post a workplace notice advising employees of their PSL rights in Spanish and English. Employers must additionally provide written notice of these rights to each employee by Jan. 1, 2025, or at the time of hire, if later. The state labor commissioner is charged with creating a model poster and notice for employer use. The notice requirements may be satisfied electronically for remote work. The amendments removed all notice and documentation requirements for employees from the law. Furthermore, the bill specifically prohibits employers from requesting documentary proof that an employee's PSL was taken for a qualifying reason. The revised law also requires employers to maintain a record of the number of PSL hours accrued by or provided to employees and the number of PSL hours used by employees during the calendar year. Employers must maintain these records for three years, and violations are subject to a civil penalty of $100 per violation.

Deductions for Certain Benefit Plan Distributions (HB 5524)

Connecticut amended its tax law to require employers to deduct and withhold certain distributions, such as deferred compensation plans and individual retirement arrangements, upon an employee's request instead of automatically deducting and withholding amounts estimated to be equivalent to the employee's tax liability.

Delaware

Paid Family and Medical Leave Contributions (19 DAC 1401)

Delaware recently implemented a paid family and medical leave (PFML) program that will provide up to 12 weeks of parental leave per year and six weeks of medical or military exigency leave every two years. The program offers 80% wage

replacement up to a weekly maximum, initially set at $900. Benefits under the program will begin Jan. 1, 2026. However, all employers with 10 or more employees must enroll in the PFML program by Jan. 1, 2025, unless an approved private benefit plan is in place. Additionally, starting on Jan. 1, 2025, contributions to the PFML plan begin to be assessed. Employers who share the cost of the plan with their employees must begin to collect employee contributions from their employees' paychecks starting Jan. 1, 2025. Employers' quarterly contributions, which are collected retroactively 30 days after each quarter ends, will begin on April 30, 2025. Employers must provide written notice to all existing Delaware-based employees at least 30 days prior to the start of payroll contributions to the program beginning on Jan. 1, 2025.

Indiana

Child Labor Amendments (HB 1093)

Indiana amended its child labor laws to provide additional exemptions from hour and time restrictions as well as remove certain limitations and restrictions for certain minors. The amendment expanded the list of jobs exempt from time and hour limitations imposed on minors to include the following:

- Minors employed as actors or performers in motion pictures, theatrical, radio or television productions;
- Minors employed as newspaper carriers (regardless of age);
- Minors employed as homeworkers engaged in evergreen wreath-making; and
- Minors employed to perform sports-attending services at professional sporting events.

The amendment removed language preventing minors under 18 years of age from taking part in the performing arts if it was detrimental to the minor's life, health, safety or welfare or if it interfered with their schooling. It also removed the requirement that minors taking part in the performing arts be provided with education equivalent to full-time school attendance until the age of 16 and that parents accompany minors to all rehearsals, appearances and performing arts until the age of 16. Additionally, minors are no longer strictly prohibited from appearing in a cabaret, dance hall, night club or tavern.

Prior to the amendment, parent or parent-owned entities were required to comply with limitations on employing minors during school hours. Under the amendment, parents or parent-owned entities no longer need to comply with restrictions on work performed during school hours.

Additionally, minors between the ages of 14 and 16 are not exempt from the state's child labor requirements if they:

- Graduated from high school;
- Completed eighth grade, are excused from compulsory school attendance requirements and whose parents submit proof and signed a statement declaring that the minors have been excused from attendance requirements;
- Have a child to support, are excused from compulsory school attendance and whose parents submit a statement declaring that the minors have been excused from attendance requirements; and
- Are subject to an order issued by a court that has jurisdiction over the minors prohibiting them from attending school, or have been expelled from school and are not required to attend an alternative school or educational program.

The amendment allows minors between the ages of 14 and 16 to work until 9 p.m. from June 1 through Labor Day. Previously, minors ages 14 to 16 could only work until 7 p.m. from June 1 through Labor Day on days preceding a school day.

The amendment repeals all time and hour restrictions for minors over the age of 16. As a result, Indiana's child labor laws now only apply to minors under 16 years of age. Moreover, minors between the ages of 16 and 18 are not prohibited from working in agriculture, even if the occupation is designated as hazardous.

Child Labor Penalties (SB 80)

Indiana also amended its child labor law penalties. For example, employers may no longer be assessed a civil penalty for shift schedule and length violations of 10 minutes or less. Additionally, employers may be assessed a civil penalty of up to $100 per instance for violations of time and hour restrictions of less than 30 minutes and position restrictions for minors ages 14-16 and 16-18.

Kentucky

Medicinal Cannabis (SB 47)

Kentucky legalized the medical use of cannabis by qualified patients with specified medical conditions who register to become cardholders authorized to purchase and use cannabis. The law permits employers to establish policies and procedures that limit the use of cannabis in the workplace, including drug testing, drug-free workplace and zero-tolerance drug policies, and prohibit medical marijuana cardholders from operating machinery, equipment and power tools. Employers can also make good-faith determinations of impairment of cardholding employees, and there is no cause of action for wrongful discharge or discrimination against employers for terminating an employee related to medicinal cannabis use in the workplace, including working under the influence of medicinal cannabis or testing positive for a controlled substance.

Michigan

Earned Sick Time Act

Michigan's Earned Sick Time Act (ESTA) was originally presented to the Michigan Legislature in 2018 as a ballot measure. The Legislature adopted and later amended the law, significantly narrowing the employee leave rights it provided and renaming it the Paid Medical Leave Act (PMLA). The PMLA has been in effect since 2019. Following litigation, the Michigan Supreme Court ruled on July 31, 2024, that the Legislature's adopt-and-amend procedure violated the state constitution. The Court ordered that the ESTA—the original, more employee-friendly version of the law—go into effect on Feb. 21, 2025.

The ESTA applies to all private employers employing one or more individuals; however, different standards apply depending on whether an employer employs 10 or more individuals or fewer than 10 individuals. Under the law, employees accrue a minimum of one hour of paid sick time for every 30 hours worked, up to 72 hours of sick time per calendar year. Employers may comply with the law by providing paid leave at a rate equal to or greater than what the law requires, is at least the same amount the law requires, and may be used for the same purposes and under the same conditions as the law requires. Employers are prohibited from taking retaliatory action against employees for exercising their ESTA rights.

Minnesota

Salary Disclosure in Job Postings (SF 3852/HF 3947)

Employers with 30 or more employees at one or more job sites in Minnesota must disclose the minimum and maximum annual salary and hourly compensation range to be offered to a hired job applicant in job postings for open positions, as well as a general description of all benefits and other compensation, including any health or retirement benefits. The salary range can be based on the employer's good-faith estimate at the time of posting an advertisement for the position. Under the law, "postings" include any solicitation intended to recruit job applicants for a specific available position. This includes electronic and printed advertisements as well as indirect recruitment done using third parties. If an employer does not plan to offer a salary range for a position, it must list a fixed pay rate; however, posted salary ranges cannot be open-ended.

Earned Sick and Safe Time Updates (SF 5234/HF 5247)

Minnesota updated its earned sick and safe time (ESST) law to apply to any allotments of paid time off (PTO) when it is used for an ESST-eligible purpose. The Minnesota ESST mandate took effect in January 2024 and requires most employers to provide up to 48 hours of paid sick and safe leave to eligible employees. Under this amendment, if an employer provides employees with PTO or other paid leave in an amount more generous than the minimum required under ESST law for absences due to personal illness or injury, then the additional PTO or paid leave must meet the same ESST-qualifying requirements as the ESST hours, other than ESST accrual requirements, when it is used for an ESST-qualifying reason. This requirement does not apply to short- or long-term disability and other salary continuation benefits.

Missouri

Earned PSL (Proposition A)

On Nov. 5, 2024, voters in Missouri passed Proposition A, a ballot initiative requiring employers to provide employees with earned paid sick time (EPST). All employers other than the federal or state government are covered by the EPST requirement. All employees must accrue at least one hour of EPST for every 30 hours worked, beginning May 1, 2025. Employees may use EPST as soon as it is accrued. Employers with 15 or more employees may cap employee use of the leave at 56 hours per year; for employers with fewer than 15 employees, the yearly use cap is 40 hours unless the employer chooses to allow more. Up to 80 hours of employees' unused EPST carries over into the following year. As an alternative to allowing carryover, employers may instead pay out unused EPST at the end of the year as long as they provide employees with the full amount of leave required by the law for immediate use at the beginning of the following year.

The law requires that employees be allowed to use the leave for a variety of reasons fairly standard to state PSL laws across the country: for the employee and their family members' mental or physical illness, injury or health condition, and for preventive care. Notably, the statute also allows the use of EPST for specific safe leave purposes when the employee or their family member is the victim of domestic violence, sexual assault or stalking. The Missouri measure provides for leave when the employee's place of business or child's school or place of care has been closed for a public health emergency. The leave is also allowed when the employee or a family member has been exposed to a communicable disease and their presence in the community may jeopardize the health of others.

Employers may require employees to provide notice of leave, with different parameters depending on whether the leave is foreseeable or unforeseeable. Such requirements must be included in a written policy. Employers may also demand reasonable documentation (explained in the law) in support of EPST of three or more consecutive days. Employers must give employees a written notice about EPST within 14 days of the start of employment or on April 15, 2025—whichever is later. A workplace poster about the law must also be displayed by that date. The law requires employers to retain records documenting hours worked and EPST taken by employees for three years. Employer leave policies such as PTO satisfy the EPST law's requirements if they provide the same amount of paid leave for the same purposes and under the same conditions as provided by the law. Employers are prohibited from retaliating against employees who request or use EPST as allowed by the law; employees also have the right to file civil suits for alleged violations. Administrative actions and fines may also apply to employers who fail to comply with EPST requirements.

Nebraska

Taxation for Nonresident and Remote Employees (LB 1023)

Nebraska passed a law updating several tax-related statutes, including provisions clarifying employment taxation for nonresident and remote employees. Under the new law, compensation to a nonresident is considered income derived from Nebraska and subject to applicable taxes if either:

- The nonresident worker is present in Nebraska and performs employment duties for a day, not including transit time; or
- The nonresident worker's work is directly related to business carried out within Nebraska, and if it had been performed in the state, it would have required the worker to be present in the state for more than seven days.

However, nonresident compensation will not be taxable if the payment was made for time spent in Nebraska for a conference or training for less than seven days and totaled less than $5,000 or the compensation was paid to a board member of an out-of-state company and was for work for board-related activities in Nebraska.

New Hampshire

Firearms in Employee Vehicles (HB 1336)

New Hampshire enacted a new law that prohibits all employers from requiring an employee to discuss whether they are storing a firearm or ammunition in their vehicle on the employer's property and searching an employee's vehicle for a firearm or ammunition. If an employer receives public funds from the federal or state government, they may not prohibit an employee who may legally possess a firearm from storing the firearm or ammunition in the employee's vehicle on the employer's property as long as the vehicle is locked and the firearm or ammunition is not visible. Additionally, an employer receiving public funds may not take an adverse action against an employee for storing a firearm or ammunition in a vehicle in accordance with the law.

Employment Restrictions for Sex Offenders (HB 1038)

New Hampshire amended its law that prohibits individuals convicted of a class A felony in any jurisdiction for sexual assault, a felony involving child sexual abuse images or felony physical assault of a minor from working with children. This includes working as a teacher, coach, day care worker, scout leader or camp counselor. Under the amendment, convicted individuals are prohibited from engaging in any employment, either as an employee or employer, that

provides services exclusively or predominantly to minors or involves direct supervision of minors or one-on-one work with minors, including minor employees. Additionally, the amendment prohibits convicted individuals from offering employment in any of the restricted areas under the law (i.e., teacher, coach, day care worker, scout leader, camp counselor).

New York

Paid Prenatal Personal Leave (A08805)

New York's budget for fiscal year 2024-25 includes provisions mandating paid employee prenatal leave. The budget amends the state sick leave law by adding a requirement that all employers provide their employees with 20 hours of paid prenatal personal leave per 52-week period, starting Jan. 1, 2025. The amendment does not require employees to accrue the new leave, nor does it impose a waiting period before employees may use the leave; the full 20 hours must be made available on Jan. 1, 2025.

Employees on leave must be paid their regular rate of pay or minimum wage if the applicable minimum wage is higher; however, employers are not required to pay out unused prenatal personal leave when an employee separates from employment. Prenatal personal leave may be taken for health care services received by an employee during their pregnancy or related to the pregnancy, including physical examinations, medical procedures, monitoring and testing, and discussions with a health care provider related to the pregnancy. The new provisions do not require advance notification or documentation after the fact for using leave. Prenatal personal leave is in addition to the annual sick leave the law already mandates, which ranges from 40-56 hours and may be paid or unpaid, depending on the employer's size and income. The amendment does not indicate that the leave runs concurrently with any federal Family and Medical Leave Act (FMLA) leave taken for prenatal care, meaning the state prenatal personal leave would be in addition to any FMLA leave taken for this purpose.

Oregon

Warehouse Quota Notification (HB 4127)

Oregon enacted a new law that protects warehouse workers who are subject to work quotas. The law requires employers to provide warehouse employees with written documentation summarizing any quota to which the employees are subject while completing work. The documentation must include the number of tasks to be performed, materials to be produced or handled within a defined time period, and a description of the potential consequences, including adverse employment actions, that the employee may face for failure to meet the quota. Warehouse employers must provide this documentation at the time of hire, within two days of a change to an existing employee's quota and when an employer takes an adverse employment action due to an employee's failure to meet the quota. This documentation must be provided in the language the employer regularly uses to communicate with the employee. Employers cannot take adverse employment action against an employee for failure to meet a quota if the employee did not receive the written documentation.

Covered warehouse employers include any person who directly or indirectly, including through a third party, temporary service or staffing agency, employs or exercises control over the wages, hours or working conditions of the employees employed at a warehouse distribution center of 100 or more employees at a single warehouse distribution center or 1,000

or more employees at one or more warehouse distribution centers in the state. This law does not apply to employers subject to a collective bargaining agreement under which employees are subject to a performance evaluation metric that is subject to review and negotiation and provides for rights to request records similar to the rights afforded under the new law.

Rhode Island

Temporary Caregiver Benefits Increase (HB 7171)

Rhode Island amended its temporary caregiver insurance (TCI) law to provide extra paid leave for eligible workers. The additional allowance will be phased in over two years, with seven weeks of leave becoming available on Jan. 1, 2025, and eight weeks available on Jan. 1, 2026. The amendments also increase the dependents' allowance for recipients of TCI and temporary disability insurance (TDI).

Enacted in 2013, Rhode Island's TCI program currently provides eligible claimants with up to six weeks of paid leave to care for a seriously ill child, spouse, domestic partner, parent, parent-in-law or grandparent, or to bond with a newborn child or new adopted or foster-care child. The state's TDI program provides benefits for unemployment caused by a temporary, nonwork-related illness or injury. TDI provides up to 30 weeks of compensation for eligible workers. Recipients with dependent children under 18 may receive a dependents' allowance, currently set at $10 for up to five children. The amendments increase the maximum amount of time for TCI to seven weeks as of Jan. 1, 2025, and eight weeks as of Jan. 1, 2026. In addition, the dependency allowance is increased to $20 per child, effective Jan. 1, 2025.

Veterans' Benefits and Services Poster (HB 7058 and SB 2128)

Rhode Island enacted a new law that requires employers with more than 50 full-time equivalent employees to display a poster in a conspicuous place accessible to employees containing basic information on veterans' benefits and services. The Rhode Island Department of Labor and Training (DOLT) will consult with the Office of Veterans Services (OVS) to create and distribute a poster, which will contain, at a minimum, the following:

- Contact and website information for the OVS and the DOLT's veterans' program;
- Substance abuse and mental health treatment;
- Educational, workforce and training resources;
- Tax benefits;
- Rhode Island state veteran driver's licenses and nondriver identification cards;
- Eligibility for unemployment insurance benefits under state and federal law;
- Legal services; and
- Contact information for the U.S. Department of Veterans Affairs veterans crisis line.

Washington

Equal Pay and Opportunities Act Protected Classes (HB 1905)

Washington expanded the protections under the Equal Pay and Opportunities Act (EPOA). Currently, the EPOA prohibits employers from discriminating against an employee with respect to compensation or career advancement opportunities based on gender. Effective July 1, 2025, the EPOA will prohibit employers from discriminating with respect to pay or career advancement opportunities on the basis of any protected class rather than just gender. The law defines "protected class"

as an individual's age; sex; marital status; sexual orientation; race; creed; color; national origin; citizenship or immigration status; honorably discharged veteran or military status; presence of any sensory, mental or physical disability; or use of a trained dog guide or service animal by a person with a disability. The new law will continue to provide exceptions for differentials based on local ordinances or bona fide job-related factors. However, under the new law, a bona fide job-related factor may neither be based on nor derived from a gender-based differential, and a differential may not be based on an employee's membership in a protected class.

PSL Expansion (SB 5793)

Washington amended its PSL law expanding the authorized purposes employees may take leave. Under the state's PSL law, eligible employees may use paid leave for the following reasons:

- An employee's own mental or physical health, injury or health condition, including the need for medical diagnosis, care or treatment, and preventive medical care;
- The care for the employee's family member with a mental or physical illness, injury or health condition, including the family member's need for medical diagnosis, care or treatment, and preventive medical care;
- Closure of the employee's place of business by order of a public official due to any health-related reason or closure of the employee's child's school or place of care by order of a public official due to any health-related reason; and
- Employees who are victims of domestic violence, sexual assault or stalking (or who are family members of a victim) in order to seek or obtain legal, law enforcement or social services assistance; seek or obtain medical treatment or counseling; or participate in safety planning or take other actions to increase safety.

The amendment permits employees to use PSL for closures of the employee's child's school or place of care that has been closed after a local, state or federal governmental declaration of an emergency. Additionally, the definition of "family member" has been broadened to include any individual who regularly resides in the employee's home or where the relationship creates an expectation that the employee cares for the person and the individual is dependent on the employee for care. The definition of "child" now includes the spouse of the employee's child.

West Virginia

Unemployment Contribution Amendments (SB 841)

West Virginia requires employers to contribute a portion of employees' wages to the state's unemployment fund. Under the state's unemployment contribution law, wages do not include remuneration of $8,000 or more paid during a calendar year. The revised law now provides that wages do not include remuneration of $9,500 or more paid during a calendar year. The amendment also clarifies an individual's responsibilities when seeking employment in order to remain eligible for unemployment benefits. Employers must report in writing to the West Virginia Commissioner of Labor when an individual who is receiving unemployment benefits refuses an offer of employment and receives job referrals from Workforce West Virginia to accept an offer of employment. Employers must also report individuals who accept employment and then either leave or are dismissed within six weeks of the employment's start date.