STATE OF CALIFORNIA Gavin Newsom, *Governor*

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Lilia García-Brower
California Labor Commissioner
Division of Labor Standards Enforcement

December 31, 2025

Re: Information on New 2026 Wage and Hour Laws

Dear Employer:

The California Labor Commissioner's Office ("LCO") is responsible for enforcing the Labor Code, including compliance with newly enacted or amended laws to combat wage and pay disparities. This letter seeks to inform and ensure that employers understand their legal requirements and potential consequences for noncompliance with some of the most significant state laws effective in 2026. Each of these provisions is effective on January 1, 2026, unless noted otherwise.

Increase in State Minimum Wage to $16.90

The California statewide minimum wage increases to $16.90 on January 1, 2026. The updated minimum wage order is posted on the Labor Commissioner's website at https://www.dir.ca.gov/iwc/WageOrderIndustries.htm. There may be higher minimum wages for certain healthcare or fast-food industry employees or in certain localities pursuant to a local ordinance.

Workplace Know Your Rights Act

Senate Bill (SB) 294 enacted Labor Code sections 1550-1559, also known as the Workplace Know Your Rights Act. The Act requires that an employer provide an annual notice to their employees regarding certain workplace rights, including the right to have their employer notify a designated emergency contact if an employee is arrested or detained at work.

Annual Workplace Rights Notice

On or before **February 1, 2026**, and each year after that, an employer must provide employees a required workplace rights notice. The Labor Commissioner has posted model notices on its website that an employer can use**, including versions in English, Spanish, Chinese (simplified), Chinese (traditional), Vietnamese, Korean, Tagalog, Hindi, Punjabi, Arabic, and Urdu.** An employer must provide the notice in the language usually used to communicate employment-related information to the employee and which the employee understands, if the language is available as a template notice provided by the Labor Commissioner.

The annual notice to employees must include seven categories of information spelled out in the statute, which include information about workers' compensation, the right to notice of an I-9 inspection by immigration agencies, protection against unfair immigration-related practices, constitutional rights when interacting with law enforcement in the workplace, labor organizing rights, a description of new laws

affecting workplace rights, and a list of the enforcement agencies that may enforce the underlying rights in the notice.

By **July 1, 2026**, the Labor Commissioner also will post a video for employees advising them of their rights and a video for employers advising them of their rights and requirements. All postings will be on the Labor Commissioner's Office website.

An employer who violates the notice requirement shall be subject to a penalty of up to $500 per employee.

Notifying a Designated Emergency Contact of an Employee's Arrest or Detention

SB 294 requires that, if an employee has asked an employer to notify a designated emergency contact, an employer must notify the designated contact if the employee is arrested or detained on the worksite or, when an employer has actual knowledge, if the employee is arrested or detained during work hours but not on the worksite. Therefore, starting January 1, 2026, an employer must notify an emergency contact in the event of an arrest or detention as described above.

By March 30, 2026, an employer must provide employees the opportunity to name emergency contacts and to indicate whether the emergency contact should be notified if the employee is arrested or detained.

An employer who violates the requirements to notify a designated emergency contact shall be subject to a penalty of up to $500 per day per employee, with a maximum penalty of $10,000 per employee.

Expanded Statute of Limitations and Recovery Period for Equal Pay Act Claims

The California Equal Pay Act ensures equal pay for employees who perform substantially similar work when viewed as a composite of skill, effort, and responsibility. SB 642 establishes that an employee may bring an Equal Pay Act claim up to three years after the last date the cause of action occurs. The bill also establishes that when an employee brings a claim within three years, an employee can obtain relief for the entire period of time the violation of the Equal Pay Act lasted, not to exceed six years of violations.

SB 642 also makes clear that an Equal Pay Act cause of action occurs when: (1) An alleged unlawful compensation decision or other practice is adopted; (2) An individual becomes subject to an alleged unlawful compensation decision or other practice; or (3) When an individual is affected by application of an alleged unlawful compensation decision or other practice, including each time wages, benefits, or other compensation is paid, resulting in whole or in part from the decision or other practice.

Updated Paid Sick Leave Poster

Recent legislation (AB 406 and AB 2499) clarifies and expands the purposes for which employees may take paid sick leave, including for jury duty, to appear in court to comply with a subpoena or other court order as a witness, and in certain situations when an employee or their family member is a crime victim. The Labor Commissioner's Office has updated its paid sick leave poster (Spanish) (Korean) (Tagalog) (Chinese Simplified) (Vietnamese) and paid sick leave FAQs to reflect these purposes.

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As we continue in strong partnership, I hope you find this information useful. My office is committed to promoting compliance with workplace obligations to level the playing field and support law-abiding employers. It is imperative we all work together for the safety and well-being of all of California's workers, employers, and their families. If you have questions or are interested in a training on workplace obligations, please contact our Business Engagement Program by emailing MakeItFair@dir.ca.gov. Thank you for your critical contribution in making California a safer, fairer, and more vibrant place to work.

Sincerely,



Lilia García-Brower
California Labor Commissioner