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Labor & Employment

Legislative Update

Recent Developments Impacting
Washington State Employers

March 18, 2026

Helen McFarland, Matthew Kelly, and Aly Dieckman

Seyfarth Shaw LLP

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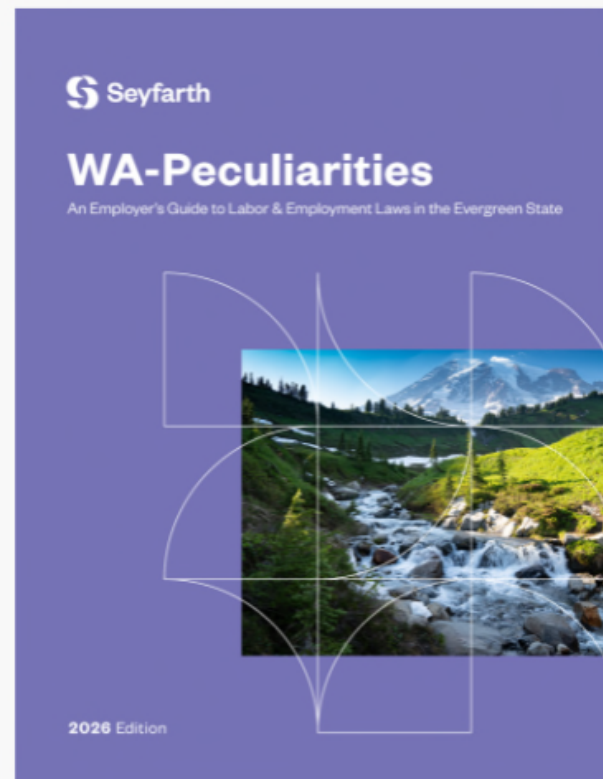


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Agenda

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Second Substitute House Bill 2105



Immigrant Workers

- Status: On governor's desk
- Effective Date: October 1, 2026
- Background
 - Requires employers to notify workers within five business days of receiving a federal Notice of Inspection of Employment Eligibility Verification Forms I-9 (Forms I-9).
 - Requires employers to notify affected workers within five business days of receiving the results of any inspection of Forms I-9.
 - Allows the attorney general to bring civil actions for violations and allows injured workers to bring private civil actions.
 - Attorney General must create a poster for employers to inform workers of notice requirements, and employers must post poster.

Engrossed Substitute House Bill 1155



Noncompetition Agreements

- Status: On Governor's Desk
- Effective Date: June 30, 2027
- Background
 - Bans all noncompetition agreements in WA regardless of when they were signed.
 - Does not include nonsolicitation agreements, confidentiality agreements, covenants prohibiting the use or disclosure of trade secrets or inventions, or covenants tied to the sale or purchase of a business, written agreements requiring employees to repay out-of-pocket educational expenses.
 - Requires employers to provide written notice to all employees and independent contractors who may be affected.
 - Establishes a private right of action for any person “aggrieved by a violation of this chapter.”
 - Establishes penalty of actual damages or a statutory penalty of \$5,000, plus attorneys' fees and costs.

Second Substitute House Bill 2479



Unpaid Wage Recovery

- Status: On Governor's desk
- Effective Date: July 1, 2030*
- Background
 - Creates the Wage Recovery Program and Wage Recovery Account to allow unpaid low-wage workers to receive disbursements if certain conditions are met.
 - Gives the Department of Labor and Industries discretion to investigate complaints under the Wage Payment Act.
 - Increases the minimum civil penalty amount and removes the maximum cap for willful violations.
 - Requires penalties for repeat willful violators and willful violators that have previously settled or resolved prior wage complaints.

Engrossed Senate Bill 6058



Wage Enforcement Discretion

- Status: On Governor's desk
- Effective Date: June 11, 2026
- Background
 - Authorizes the Department of Labor and Industries to investigate a wage complaint, rather than requiring an investigation.
 - Tolls statute of limitations for civil actions for an employee's wage complaint begins once the complaint is filed with the Department of Labor and Industries.
 - Authorizes the Department of Labor and Industries to assess civil penalties for willful violations consistent with specified wage-complaint civil penalty provisions.

Senate Bill 6134



Unemployment Insurance – Striking Workers

- Status: Delivered to Governor on March 10, 2026
- Effective Date: June 11, 2026
- Expiration: December 31, 2035
- Background
 - Intended to ensure that workers who apply for unemployment benefits during a strike are informed that they may have to repay those benefits later if they receive retroactive wages as part of the strike’s resolution.
- Requirements
 - ESD must notify striking workers of potential for overpayment at the time of application.
 - Notification may be accomplished via an “acknowledgment box” on the online application, a formal letter, or other methods determined by ESD.

House Bill 2264



Unemployment Insurance – Layoffs

- Status: Delivered to Governor on March 12, 2026
- Effective Date: Applies to claims filed on or after June 14, 2026
- Background
 - Intended to address situations where employees accept voluntary layoff practices and to ensure those employees are not deemed to have resigned without good cause.
 - Removes the strict requirement that the employer must take “the final action” in the separation process.
 - Employees who volunteer to be included in a layoff are eligible for unemployment insurance benefits.

Engrossed Substitute House Bill 2303



Employee Microchipping

- Status: Governor signed on March 11, 2026
- Effective Date: June 11, 2026
- Background
 - Prohibits employers from requesting, requiring, or coercing any employee to have a microchip implanted into the employee for any reason.
 - “Microchip” excludes devices attached to the skin via an adhesive strip or a bracelet as well as devices implanted in an individual for a health condition.
 - An employee aggrieved by a violation of this section may bring a civil action and obtain injunctive relief, actual damages, punitive damages, and reasonable attorneys' fees and costs.

Substitute Senate Bill 6014



Pregnancy Accommodations

- Status: On Governor's Desk
- Effective Date: January 1, 2027
- Background
 - Modifies existing pregnancy accommodation laws.
 - Clarifies when an employer may request written certification from a medical provider (not for an accommodation to lift more than 17 pounds).
 - Adds privacy protections for the pregnant employee when filing complaints.

Second Substitute House Bill 2345



Paid Leave Contributions

- Status: Governor Signed
- Effective Date: June 11, 2026
- Background
 - Medical leave benefits are subject to federal employment taxes while family leave benefits are not.
 - Reallocates minimum employer and employee contributions for the medical and family leave premium shares for the Paid Family and Medical Leave Program.

Engrossed Substitute House Bill 2471



Collective Bargaining

- Status: Delivered to Governor on March 6, 2026
- Effective Date: June 11, 2026
- Background
 - Authorizes PERC to regulate certain private sector labor disputes if triggered.
 - Triggering events:
 - Federal law ceases to preempt state regulation of private sector labor relations.
 - The NLRB determines that it lacks jurisdiction, declines to exercise jurisdiction, or is deprived of jurisdiction over a particular employer, group or employees, trade, or industry.

Engrossed Substitute House Bill 2471



Collective Bargaining

- Key Features
 - Transfer of authority to PERC
 - Expedited Certification and Continuity of Existing Relationships
 - Card Check Certification
 - Mandatory Interest Arbitration
 - Restrictions on Employer Unilateral Changes
 - Expanded Union-Employee Communications Privilege
- National Context
 - New York statute (litigation pending)
 - California statute (enjoined)

**thank
you**

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