



California Employment Legislative Update

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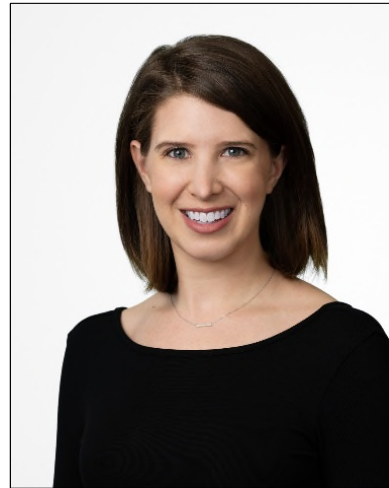
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Agenda

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- 2 | AI Laws
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California 2026 Legislative Calendar – Key Dates

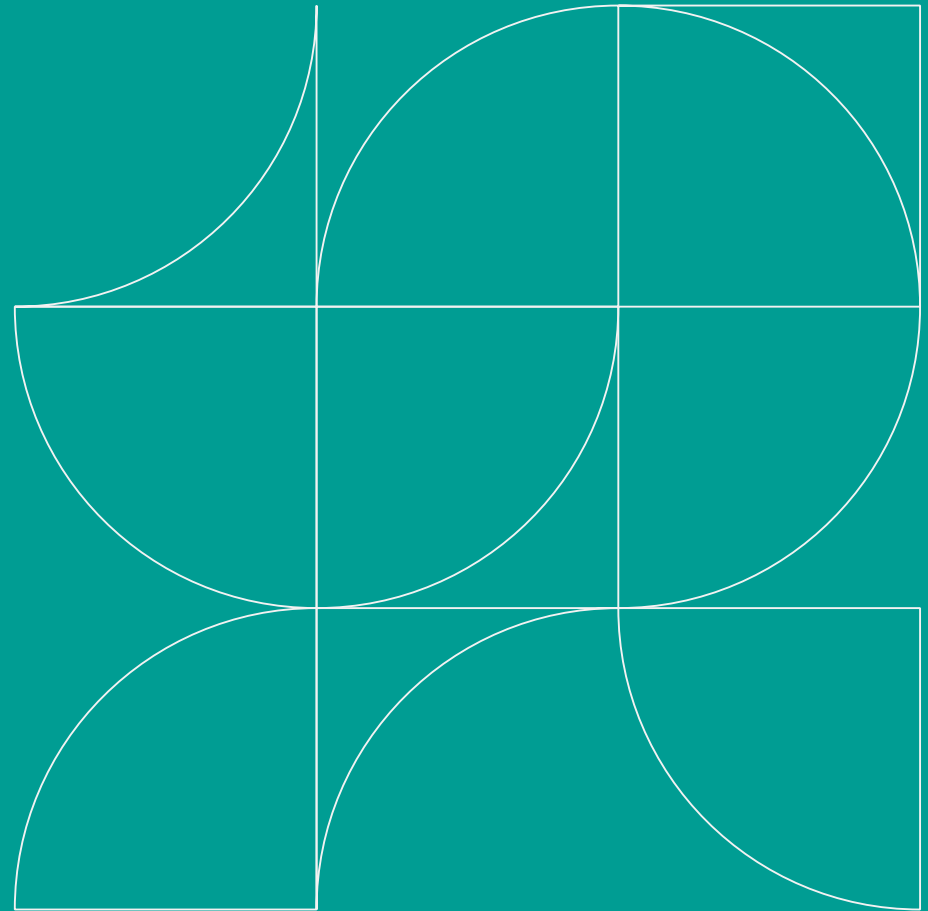
January 5, 2026:	Legislative Session Reconvened
February 20, 2026:	Last day for bills to be introduced
March 26 – April 6, 2026:	Spring Recess
May 29, 2026:	Last day to pass bills introduced in house of origin
July 2 – August 3, 2026:	Summer Recess
August 31, 2026:	Last date for each house to pass bills
September 30, 2026:	Last day for Governor to sign or veto bills passed by Legislature before September 1, 2026.
January 1, 2027:	Non-Urgency Statutes take effect
December 7, 2026:	2027-28 Legislative Session Convenes

The Statistics – 2026 Legislation By The Numbers

- As of his September 30 signing deadline, Governor Newsom acted on 1,160 bills.
 - Up from 2025's 917 bills.
 - This is the highest percentage of bills reaching the Governor's desk (63%) since 2002 (65%).
 - Over his 8 years in office, Governor Newsom has acted on 7,803 bills
 - Signed 6,752 (85%)
 - Vetoed 1,051 (13.5%)
- This year, he ***signed 1,040 bills*** (up from 2025's 794, and on par with 2024's 1,017) and vetoed 120 bills.

(Credit: Chris Micheli, LinkedIn Posts)

AI Laws



SB 947 - “No Robo Bosses Act” ADS

- **Effective Date:** July 1, 2027
- **Prohibited Conduct:** Employers can’t
 - Rely solely on an ADS when making employment-related decisions.
 - Use an ADS to:
 - Infer a worker’s FEHA protected status, or
 - Predict and take adverse action against a worker for exercising their legal rights.
- **Human Reviewer Requirement:**
 - A human reviewer must conduct an independent investigation and compile corroborating information for disciplinary and termination decisions.
 - If the ADS output can’t be corroborated, or a human reviewer determines it is inaccurate/misleading, the employer cannot rely on it.
- **Notice Requirement:** Employers must provide affected employees with:
 - Post-use notice of an ADS
 - Notice of the right to obtain a description of employee data used by an ADS in a disciplinary/termination decision.
- **Penalties:** Up to \$500/violation

SB 951 Cal/WARN: AI Technological Displacement Notice

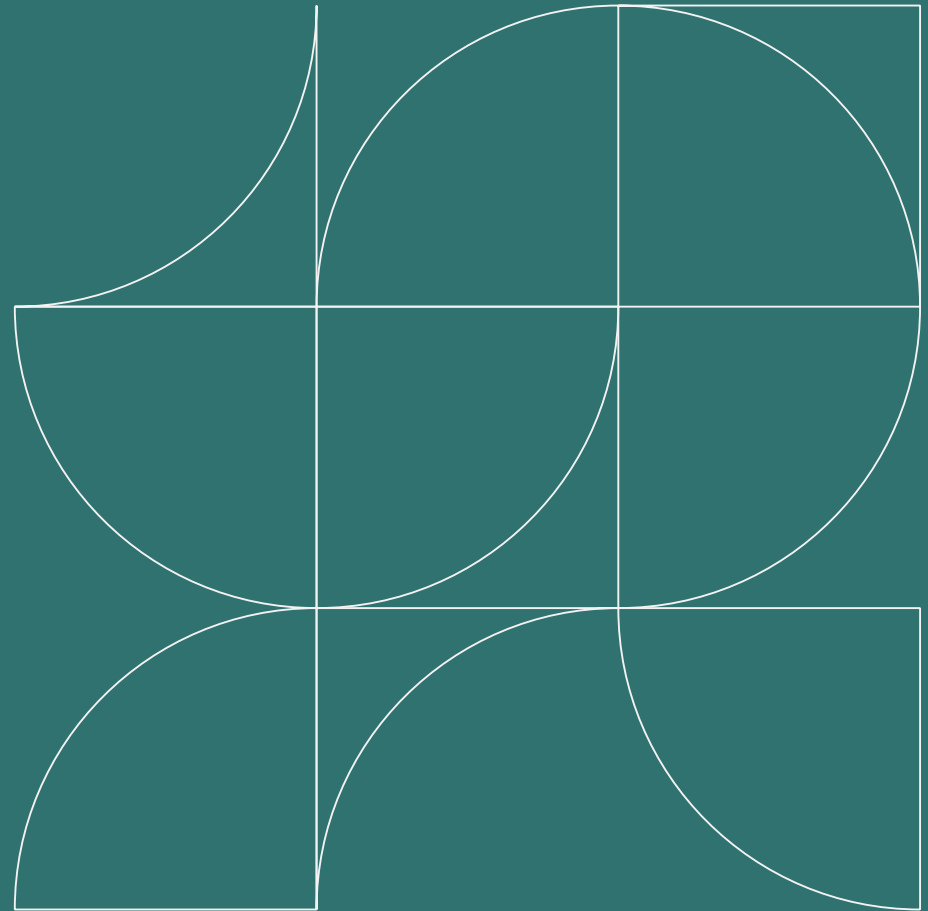
- **Requirements:** If a mass layoff, relocation, or termination is caused in whole/part by an AI system, notice must be provided.
- **Notice Contents:**
 1. At the top: “This notice for a technology displacement”
 2. The number, classification or occupation, and work location of layoffs substantially due to AI or other automated technology
 3. the job functions performed by those replaced workers that will be automated
 4. the specific category/type of AI system or other automating technology resulting in the technological displacement.
- **EDD Reporting:**
 - The Department must publish on its website a summary of the notices received and post a quarterly state-wide summary of reported technological displacements.

SB 574

Attorneys' Use of Generative AI

- **Attorneys cannot:**
 - Enter confidential, personal identifying, and other nonpublic information into a generative AI system where access is not restricted to the attorney or authorized users obligated to keep the information confidential; and
 - Include in any court filing citations that have not been personally verified.
- **Arbitrators cannot:**
 - Delegate any part of their decision-making process to a generative AI tool; or
 - Rely on information from generative AI outside the record without disclosing the reliance to the parties beforehand.

Anti-Discrimination and Harassment



AB 2563 Sex Discrimination Definition

- **“Sex Discrimination” Definition**
 - Under FEHA and CA codes, “sex discrimination” is discrimination based on actual or perceived:
 - Assigned sex or gender category (including nonbinary status),
 - Gender identity,
 - Gender expression,
 - Access to and use of gender-affirming care,
 - Conformity with sex or gender stereotypes,
 - Sexual orientation,
 - Childbirth and related medical conditions,
 - Pregnancy-related conditions (including childbirth, abortion, lactation, miscarriage, fertility, and contraception),
 - Reproductive health decisionmaking, and
 - Variations in sex characteristics such as intersex traits.
- **AB 1940 – VETOED:** Would have added **perimenopause, menopause, postmenopause, and related medical conditions** as protected categories under FEHA.

AB 1961 TRO: Protecting a Group of Employees

AB 1928 Postsecondary Education Sex Discrimination and Harassment Complaints

- **AB 1961**

- If a credible threat of violence is generally directed at a workplace, employers may seek TROs **on behalf of reasonably identifiable groups of employees** based on their workplace/location.
- Employers do **not** need to identify individual employees.

- **AB 1928**

- Students at postsecondary educational institutions may have a support person and advisor of their choice during any stage of a grievance process related to a sexual harassment complaint.

AB 1803 - Mandating Anti-Hate Speech Training

- Effective Date: January 1, 2028
- Sexual harassment training must include anti-hate speech training.
- The training must give practical guidance on recognizing, reporting, and confronting speech that vilifies, humiliates, or incites hatred against people based on FEHA protected characteristics.
- Training must still be at least **2 hours** for supervisory employees, and at least **1 hour** for nonsupervisory employees.

AB 2495 Unlawful Immigration- Related Practices

Existing law:

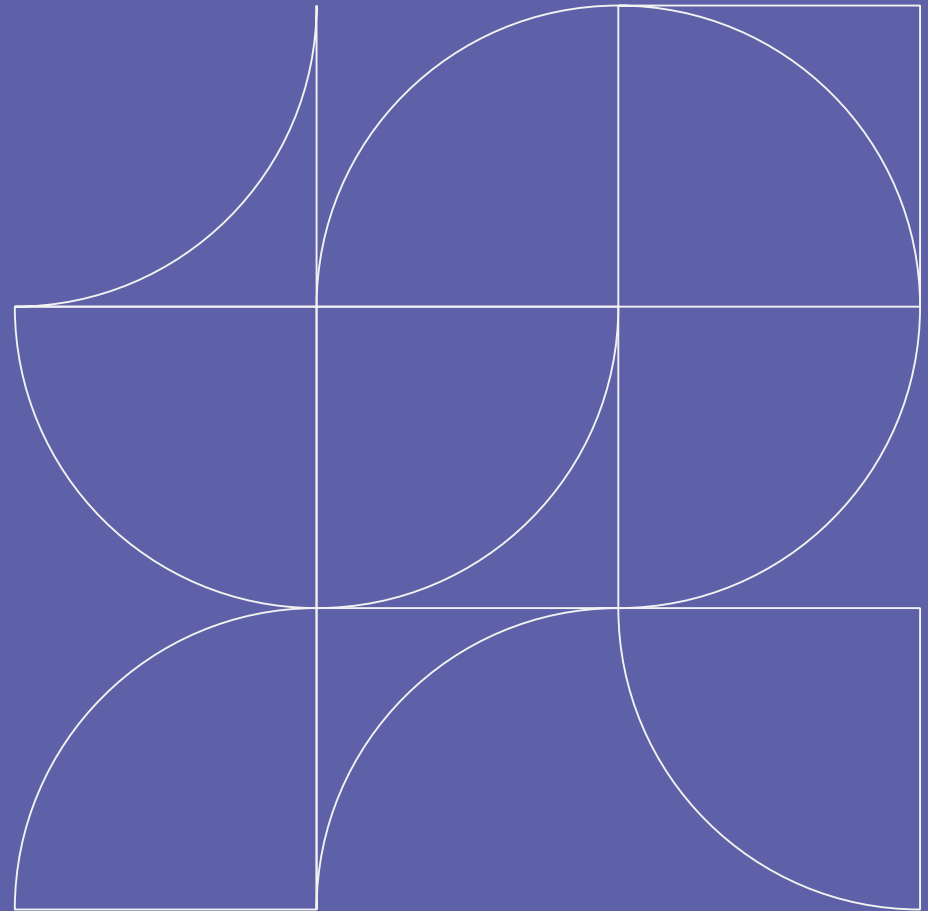
- Prohibits an employer or other person from engaging in “unfair immigration-related practices” to retaliate against a person who exercise certain workplace rights.
- Unfair practices include:
 - Requesting more/different employment verification documents than federal law requires,
 - Misusing E-Verify,
 - Threatening to file/filing a false report with a government agency, and
 - Threatening to contact/contacting immigration authorities.

New Law:

- Retaliation prohibitions expanded to cover the exercise/attempted exercise of rights under **any local, state, or federal law applicable to employees.**
- Protected activity includes:
 - Making a good-faith complaint,
 - seeking information about legal compliance, and
 - informing another person of potential rights and remedies.
- Also protects activity before it occurs:
 - Conduct related to a person’s perceived immigration status that would reasonably tend to dissuade the person from doing something they have a legal right to do is prohibited.

Penalties: Up to \$10,000 per employee/person for each violation + other remedies.

Leaves of Absence



SB 1149 Bereavement Leave for a “Designated Person”

- **Expanded Family Member Definition**

- The prior definition included (1) a spouse; (2) child; (3) parent; (4) sibling; (5) grandparent; (6) grandchild; and (7) domestic partner
- “Designated person” means any individual *related to the employee by blood*, or whose association with the employee is the *equivalent of a family relationship*.

- **Designation Process**

- Only 1 designated person per 12-month period
- Designated at the time an employee takes bereavement leave
- Documentation of the death of a covered family member, including a designated person, may be requested within 30 days of starting leave.
 - Death certificate
 - Obituary
 - Written verification

AB 2054 Family Military Leave Benefits Expanded

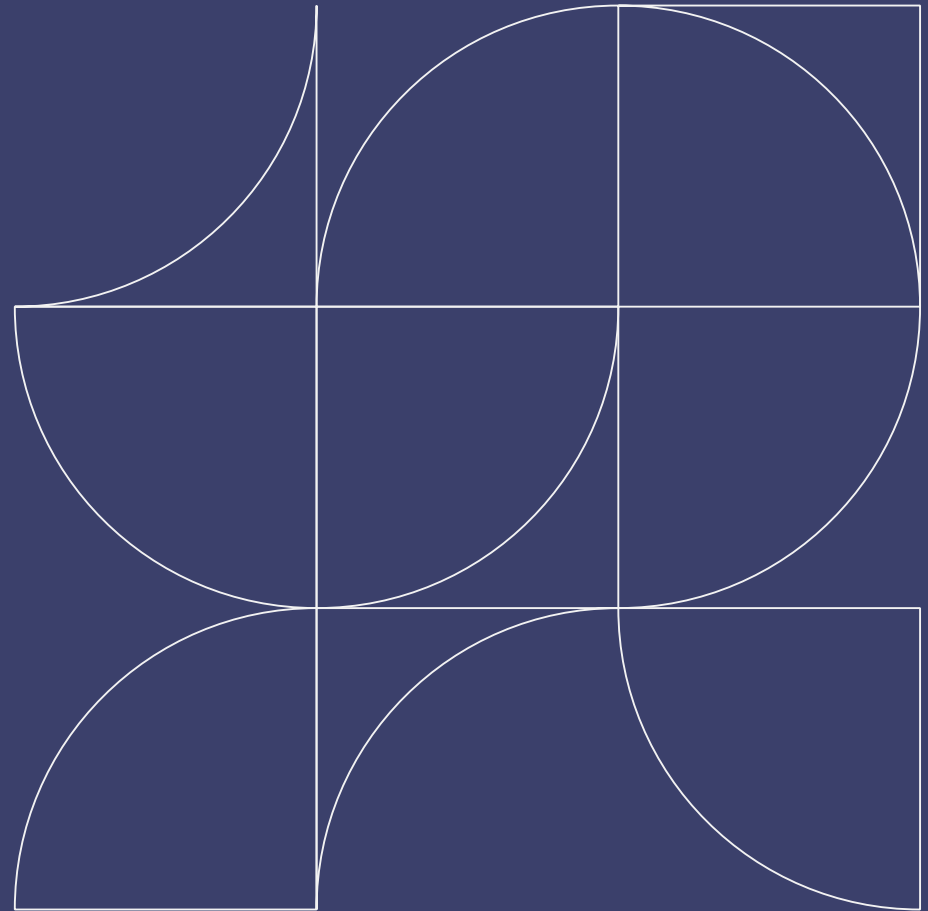
- **Effective Date:** When incorporated into the EDD's updated claims system, or July 1, 2028, whichever occurs first.
- **Expanded Definition of “Covered Active Duty”**
 - Duty during the deployment with the armed forces to a foreign country,
 - For Army Reserves: duty during the deployment to a foreign country under a federal call or order to active duty,
 - **Duty during training,**
 - **Deployment other than to a foreign country, and**
 - **For Army Reserves: a call or order to state active duty.**

SF Ordinance 162-26

Paid Parental Leave Eligibility

- **San Francisco employees qualify for SF's Paid Parental Leave after 90 days of employment.**
 - Reduced from 180 days.
 - Aligned with SF's Paid Sick Leave waiting period.
- **Rolling Effective Date:**
 - Employers with 100+ employees: January 1, 2027
 - 20-99 employees: January 1, 2028
 - Less than 20 employees: remain exempt
- **Other eligibility criteria has not changed. Employees must:**
 - Work at least 8 hours/week in SF
 - Perform at least 40% of their total weekly hours in SF, and
 - Qualify for CA PFL benefits for new child bonding leave.

Wage & Hour



AB 1697 – “Stay or Pay” Contract Prohibitions

- **Enforcement delayed to *January 1, 2027***
- **Revised Financial Incentives Exception**
 - Removed ***at the outset of employment*** limitation, but must still be in a **separate agreement that provides:**
 - Employees with the express right to consult an attorney,
 - Proration of repayment obligations,
 - Retention period of no more than 2 years,
 - Employees with the choice to defer receipt of payment until the end of the retention period, and
 - repayment triggered only by voluntary separation or separation for misconduct (not cause).
- **New Financial Services Carve-Out**
 - Permits discretionary/unearned payments to recruit/retain workers
 - Limited to agreements between broker-dealers, investment advisers, insurance producers and affiliates
 - Requires **separate agreement** with counsel-consultation rights, comp structure, and interest limits.
- **New Advanced PTO Repayment**
 - Employers can enforce repayment obligation when an employee ***voluntarily separates*** if:
 - Arrangement is in a separate agreement from the employment contract,
 - arises from the employee’s request for advanced PTO,
 - is limited to no more than 40 hours of PTO, and
 - does not accrue interest.

SB 1237 Pay Data Reporting Penalties

- **2025 Pay Data Reporting Changes Under SB 464**
 - Required employers with 100+ employees to collect/store demographic information an employer/labor contractor gathers for purposes of submitting pay data reports to the CRD.
 - Must be retained separate from personnel records.
 - Imposed civil penalties against employers for failing to file pay data reports upon CRD request.
 - Increased the number of job categories on which an employer must report from 10 to 23.
 - Affects reports due *May 2027*.
- **2026 Penalty Changes Under SB 1237**
 - Penalty for initial violations remains **\$100/employee**.
 - Penalty for subsequent violations increased from \$200/employee up to **\$1,000/employee**.
 - The CRD must also annually publish the total number of pay data reports submitted.

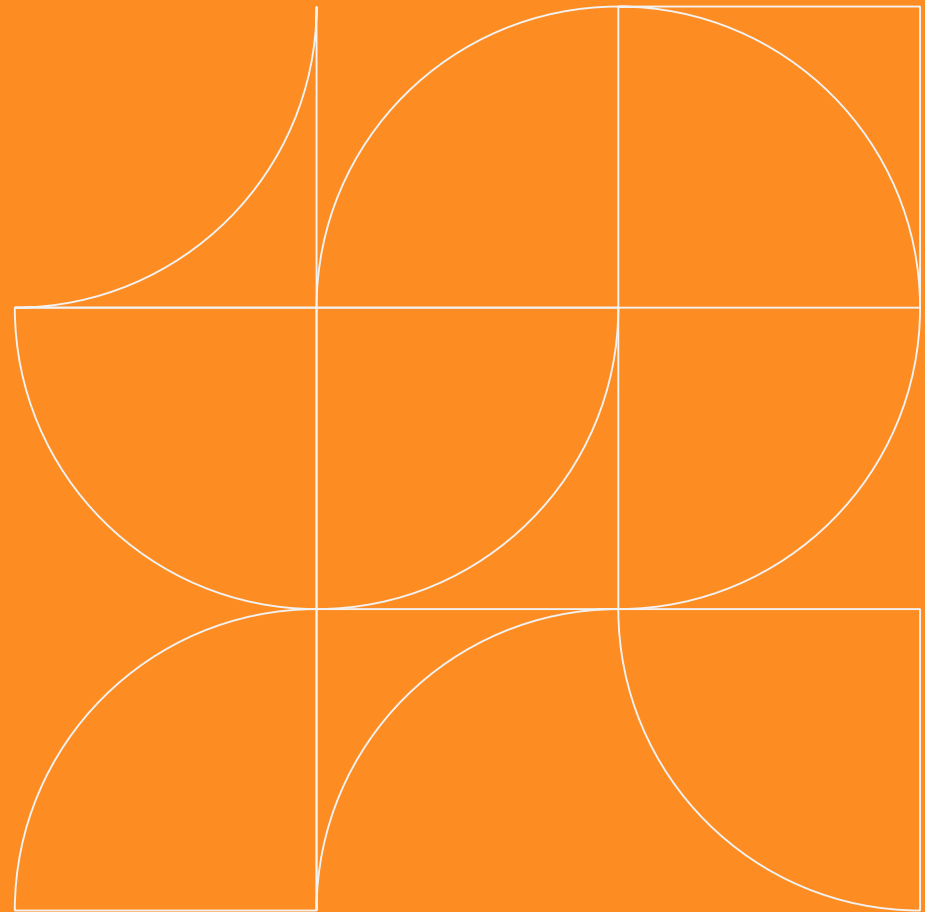
SB 1316 Labor Commissioner Liens and Hearing Evidence

- **Extended Lien Renewal Authority**
 - The Labor Commissioner can renew an existing lien on an employer's real property for an **additional 10 years**.
 - Applies to liens satisfying a wage order under Labor Code section 98.2.
- **New Evidence Preclusion Rule**
 - Employers **cannot** use certain records in Labor Commissioner proceedings if not timely provided to the Labor Commissioner pursuant to a written request.
 - **Covered records:** payroll, time, and employment records.
 - **Scope:** Applies in administrative proceedings contesting a citation and in retaliation/discrimination complaints.
 - **Exception:** If the employer proactively obtained a court order excusing production.

Minimum Wage Changes

- **California Minimum Wage Increase**
 - Beginning **January 1, 2027**, CA's minimum wage will increase to **\$17.40**
 - The current 2026 rate is \$16.90/hour
 - Exempt salary threshold will increase to **\$72,384/annually** (\$1,392/week)
- **AB 2646 – Agricultural Workers Minimum Wages**
 - Establishes \$19.75 minimum hourly wage for an approved agricultural employee.
 - Will be adjusted according to changes in the cost of living for social security benefits each January.

Workplace Surveillance



AB 1331 Workplace Surveillance

Bathroom Surveillance Ban

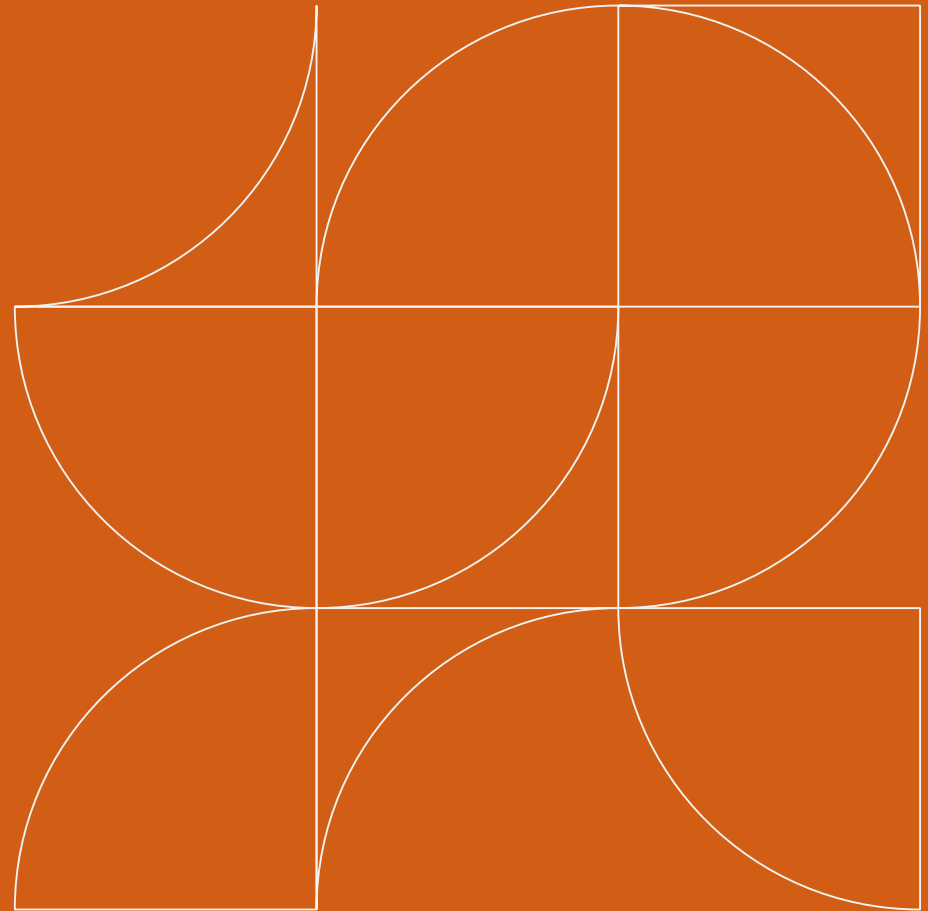
- Prohibits employers from using **workplace surveillance tools** to monitor/surveil employees in a workplace bathroom.
- Employees can only bring surveillance tools into a workplace bathroom if:
 - They are required to remain available during meal/rest breaks
 - The employer has a policy requiring possession of the device for ID or safety reasons
 - Needed for access to locked/secure areas, if the device:
 - Does not detect/record audio, and
 - Has no embedded/attached AI.

AB 1883 Workplace Surveillance Tools

AI, Neural Data, and Emotion Recognition

- Prohibits employers from using a surveillance tool that uses AI to:
 - Collect neural data (e.g., gait analysis), or
 - Recognize an individual's emotional state.
- Applies to public and private employers, including universities, labor contractors, and their clients.
- **Exempt:** does not apply to workplace surveillance tools related to the development of:
 - Aircraft for use in the national airspace, or
 - Products or services for national security, military, space, or defense purposes where the use of surveillance tools is reasonably necessary to comply with federal law or a binding federal contract.

Restraining Orders



AB 2179 - Workplace Violence Restraining Orders

AB 1753 - Protective Orders: Firearms and Ammunition

- **AB 2179**

- **Effective Date:** January 1, 2028

- **Requirements:**

- Parties/Witnesses to a petition for a restraining order can appear remotely.
 - Courts must allow electronic filings related to protective orders.

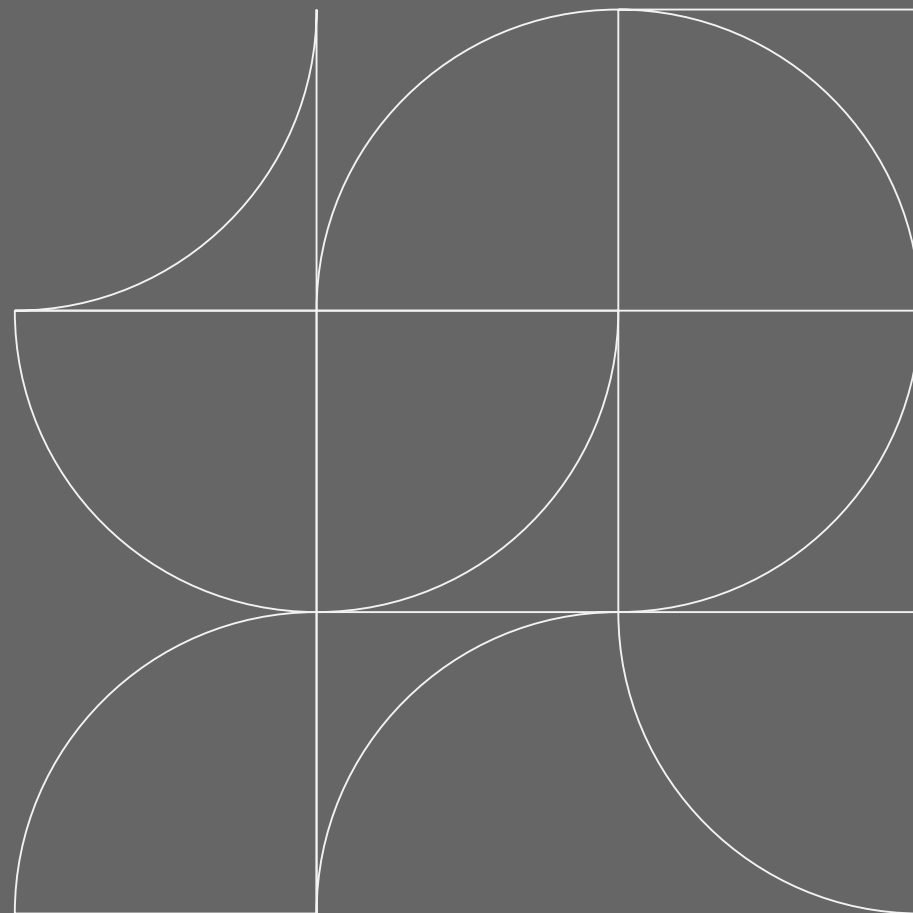
- **AB 1753**

- **Effective Date:** January 1, 2028

- **Requirements:**

- TRO petitioner must provide prior notice to a respondent only if doing so **won't endanger the petitioner, proposed protected parties, or other persons.**
 - Applicant's attorney must certify to the court under oath that advance notice will endanger someone's safety.
 - Courts must permit a party/witness to appear remotely at a workplace violence restraining order hearing at no cost.
 - Courts must develop remote appearance rules and post them on their websites.

Arbitration and Civil Litigation



AB 2155 Validity of Arbitration Agreements

The Loophole Is Closed

- **Before AB 2155:** Arbitration Agreements subject to the CAA were enforceable unless there were grounds for contract revocation.
 - Allowed employers to use the CAA to compel arbitration where claims would otherwise trigger federal exemption.
 - Arose most commonly with:
 - **Transportation Worker Exemption:** applies to workers engaged in foreign/interstate commerce, including rideshare drivers, delivery, and last-mile workers.
 - **EFAA Exemption:** a person asserting sexual assault/harassment claims against a party they signed an arbitration agreement with can elect to litigate their claims.
- **After AB 2155:** Arbitration agreements that are unenforceable under the FAA, are unenforceable under the CAA.
 - Extends beyond the two exemptions above.
 - Applies prospectively to disputes/claims filed after January 1, 2027

**AB 1950
LA Superior Court
Civil Actions:
Mandatory
Mediation**

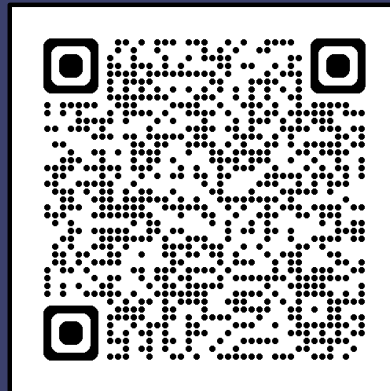
LA County Superior Court judges may order cases into mediation regardless of the amount in controversy.

- **Mediation Terms:**
 - 3-hour mediation
 - In-person or remote
 - No-cost
- **In Effect:** January 1, 2027 through January 1, 2032

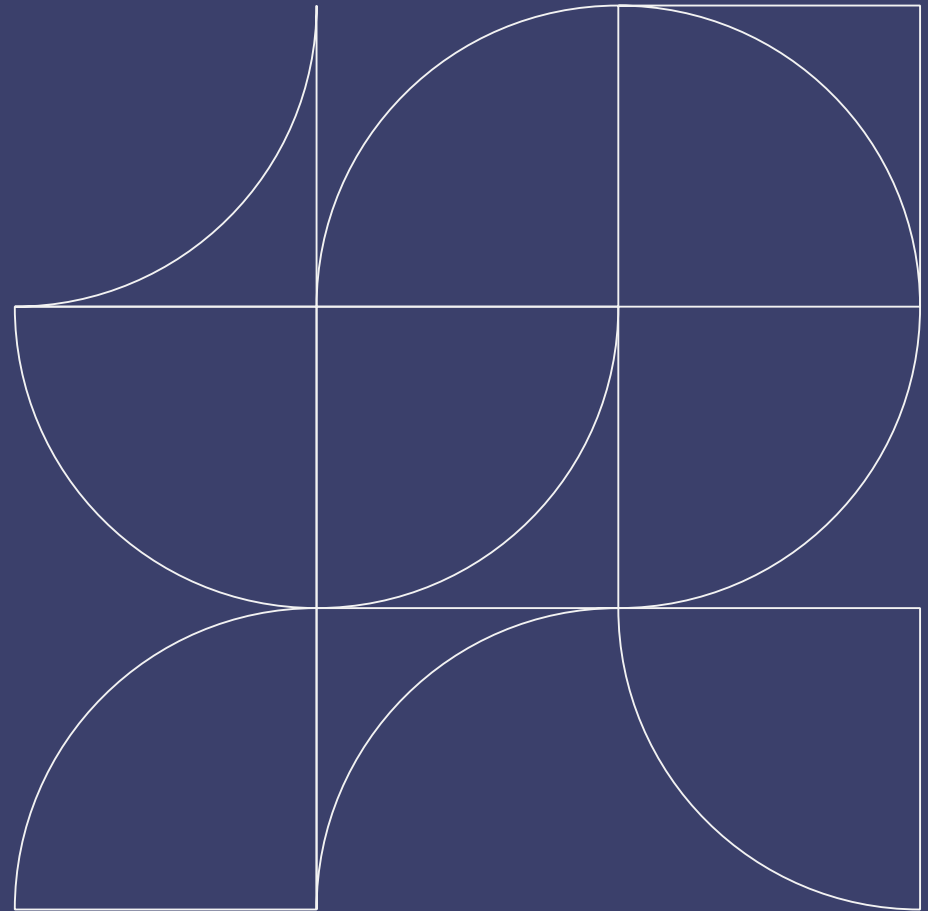
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***Handbook Season Kickoff: New Year, New
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Questions?



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