

2026 LABOR LAW UPDATE AND HR SUCCESS ROADMAP

INFINIUM 
PAYROLL AND HR SOLUTIONS



AGENDA



What We'll Cover

- Key California Labor Law Changes for 2026
- What Impacts Your Employee Handbook
- Proactive Steps to Ensure a Smooth 2026
- The Benefits of Doing the Right Thing



Key California Labor Law Changes for 2026

The Big Picture



California =

- More employee rights and protections
- Increased documentation and notice requirements
- Greater focus on pay equity and recordkeeping
- Employees exploiting loopholes in policy and practice
- Plaintiff attorneys stand at the ready to file extortion lawsuits

Bottom line:

Even if your handbook is *legally updated*, your internal policies and practices still matter.

Minimum Wage & Exempt Salary Threshold



What changed:

- CA minimum wage: **\$16.90/hour**
- Exempt salary minimum: **\$70,304/year**

Employer action:

- ✓ Review exempt vs. non-exempt roles
- ✓ Adjust salaries or reclassify as needed

Handbook update: No

Workplace Know Your Rights Act (SB 294)



New Posting/Notice Requirements:

- Written employee rights notice must be given at time of hire and annually to all employees
- Opportunity to designate an emergency contact
- Strong anti-retaliation protections

Employer Action:

- ✓ Post/hand out notice as soon as available (Jan 1, 2026) and include in new hire documentation

Handbook update: Optional / Recommended

Personnel Files & Training Records (SB 513)



What changed

- Training and education records are now part of the personnel file
- Must be produced upon employee request

Employer Action:

- ✓ Review record storage
- ✓ Ensure request timelines are met (21 days for payroll/30 days for personnel)

Handbook impact: Yes

Equal Pay Act Expansion (SB 642)



What changed

- Employers must now ensure that any form of compensation is included:
 - Salary & overtime
 - Bonuses & commissions
 - Benefits, stipends, vacation & holiday pay

Employer Action:

- ✓ Pay equity reviews are broader
- ✓ Inconsistent pay practices carry higher risk

Handbook impact: Yes

Victims' Leave & Protected Time Off (AB 406)



What changed

- Expanded protections for:
 - Victims of crime
 - Domestic violence, stalking, harassment
 - Increased enforcement and retaliation risk

Employer Action:

- ✓ Train managers on protected absences
- ✓ Apply leave policies consistently – higher retaliation risk

Handbook impact: Yes

Cal-WARN Notice Expansion (SB 617)



What changed

- Expanded required content in mass layoff or closure notices
 - Applies to companies with 75 or more employees
 - 50 or more employees laid off at one site within 30 days
 - Plant shutdown/moving more than 100 miles away

Employer Action:

- ✓ Update separation and layoff templates
- ✓ Plan ahead before workforce reductions

Handbook impact: No

Wage Judgment Penalties (SB 261)



What changed

- Unpaid wage judgments can now trigger:
 - Up to 3x penalties
 - Increased enforcement actions

Employer Action:

- ✓ Respond quickly to wage complaints or claims
- ✓ Absolute wage and hour compliance is critical

Handbook impact: No

Bonus Clawbacks & Repayment Limits (AB 692)



What changed

- “Stay-or-Pay” - Restrictions on:
 - Signing bonus repayment
 - Training cost repayment
- Applies to agreements entered into starting 2026

Employer Action:

- ✓ Review offer letters and bonus agreements
- ✓ Remove unenforceable repayment clauses

Handbook impact: No



What Impacts Your Employee Handbook

Employee Handbook Updates



Handbook Updates

- Leaves of Absence / Protected Time Off
- Personnel Records & Record Inspection
- Equal Employment Opportunity / Pay Equity
- Required Workplace Notices (handbook inclusion recommended)

How Infinium HR Helps

- ✓ Annual handbook updates
- ✓ Best HR practices when problems arise
- ✓ Nuancing special situations that develop with complicated issues
- ✓ Ongoing HR compliance assistance



Proactive Steps You Can Take for a Smooth 2026

Proactive Steps You Can Take Now



- Keep policies clear & easy to find – update your handbook annually
- Actually practice what your handbook says
- Standardize and automate your hiring and onboarding process
- Use electronic timekeeping and enforce meal break compliance
- Deal with performance issues promptly
- Promptly deal with any leave requests
- Manage attendance consistently and correct excessive absences early
- Train managers in wage and hour rules and leave/accommodation
- Standardize your company's positions and pay rates
- Periodically audit your wage and hour practices and records



The Benefits of Doing Things Right

The Results are in:

Being a Deliberate Employer Works!



- Fewer surprises
- Fewer employee complaints
- Problems resolve quickly as they should
- Loopholes for bad employee behavior are closed
- Toxic terminations no longer occur
- Your managers will have the confidence they need to lead
- More productive employees
- More time spent running the business — not putting out fires



FINAL THOUGHTS

Heading Into 2026:

- California compliance is no longer just about having a handbook
- Policies, payroll, and manager actions must align
- Proactive reviews reduce risk and costly issues
- Preparation is far easier than reaction

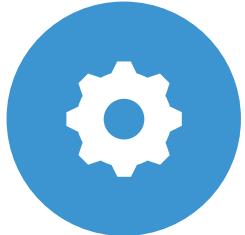
You don't have to navigate this alone

Infinium HR is here to help you stay compliant and confident in 2026.

Thank you for joining us today, we're always here if you'd like help reviewing your policies, practices,

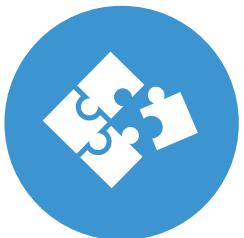
Infinium HR – Your Partner in Payroll, HR, and Compliance

At Infinium HR, we understand the complexities of California wage and hour compliance and the challenges HR professionals face. Since 2014, we've been a locally owned and operated firm dedicated to helping businesses navigate payroll, HR automation, and compliance with confidence.



Payroll and HR Solutions

Simplify payroll, automate compliance, and scale your business with integrated HR



HR Solutions

Flexible, scalable HR support tailored for small businesses without the overhead.



Outsourced Recruiting

Professional recruiting services that help you hire smarter without the high cost of agencies

Contact Mike Hayden for more information

📞 951-473-7272

✉️ mike@infiniumhr.com

🌐 www.infiniumhr.com



I would appreciate your suggestions on some subjects we can cover in 2026.

Our follow-up email will have a suggestion form link, please provide any feedback you care to provide.

Thank you and have a wonderful 2026!

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THANK YOU