

# 2026 LABOR LAW UPDATE AND HR SUCCESS ROADMAP

2026

**INFINIUM**HR  
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 3× 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



**POLICY**

**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

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# 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,

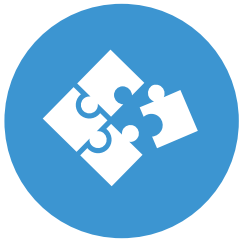
# Infinium HR – Your Partner in Payroll, HR, and Compliance

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

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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!

THANK YOU