



Employer Cheat Sheet for Workplace Laws Taking Effect January 1

Insights
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As the year wraps up, we're rounding up the new workplace laws that will take effect on January 1. With so many laws about to kick in, it can be hard to keep track of it all. Here's a guide to some of the federal and state laws you'll need to comply with on day one of 2025.

FEDERAL

- **Phase 2 of the New Overtime Rule Not Slated to Take Effect.** A DOL rule that was set to dramatically boost the salary threshold for the so-called "white collar" overtime exemptions was halted by a federal judge on November 15. The judge not only struck down the phase-two increase to \$59K set to take effect on January 1 but also knocked down the first boost that took the salary floor to \$44K in July and the automatic three-year adjustments. That means the exemption threshold is back to roughly \$35K – for now. But the DOL recently filed an appeal and may seek an immediate stay of the ruling while the litigation plays out. It's an unlikely outcome, but it will be worth paying attention to in the closing weeks of the year.
- **Federal Contractor Executive Order 13658 Minimum Wage Increases (DOL Notice).** The applicable minimum wage rate for workers performing work on or in connection with federal contracts covered by Executive Order 13658 will rise to \$13.30 per hour (\$9.30 for tipped employees performing work on in connection with covered federal contracts).
- **Federal Contractor Executive Order 14026 Minimum Wage Increase (DOL Notice).** The applicable minimum wage rate for workers performing work on or in connection with federal contracts covered by Executive Order 14026 will increase to \$17.75 per hour (for non-tipped and tipped employees alike). While a federal appeals court issued a decision on November 5 that essentially said that the underlying executive order is unlawful, the rate increase will still take effect unless and until a district court decides to halt it.

STATE

State Minimum Wage Rates Increasing Effective January 1, 2025

Development

States

Increased Rate Due to a 2024 Legislative Change or Ballot Initiative	Minnesota*, Missouri*
Increased Rate Due to a Previously Established Rate Schedule or Regular Annual Adjustment Based on Economic Factors	<u>Alaska</u> , <u>Arizona</u> , California*, <u>Colorado</u> , <u>Connecticut</u> , <u>Delaware</u> , <u>Illinois</u> , <u>Maine</u> , Michigan*, <u>Montana</u> , <u>Nebraska</u> , <u>New Jersey</u> , <u>New York</u> , <u>Ohio</u> , <u>Rhode Island</u> , <u>South Dakota</u> , <u>Vermont</u> , <u>Virginia</u> , <u>Washington</u>

NOTE: Local jurisdictions and certain industries in some states require a higher minimum wage than the statewide rate. This chart only reflects changes to statewide minimum wage rates if no local or industry minimum applies.

***See applicable state section below for more information.**

California

- **Ban on Captive Audience Meetings (SB 399)**. Most California employers will be subject to a civil penalty or civil action if they hold mandatory meetings that discuss religious or political matters, including union-representation discussions.
- **Expanded Freelance Worker Protections (SB 988)**. New “basic worker protections” and other requirements will apply to contracts between hiring parties and freelance workers entered into or renewed on or after January 1.
- **Reframed Victim-of-Violence Leave (AB 2499)**. Expanded protections will apply not only to any employee who is a victim of a qualifying act of violence (a newly defined term) but also to any employee who has a family member who meets such definition.
- **Rules Against Driver’s License Discrimination (SB 1100)**. Employers will be prohibited from telling job applicants that a driver’s license will be required for a job unless the position meets a two-part test.
- **Local Enforcement of Employment Discrimination (SB 1340)**. California will soon allow local governments to enforce both the state’s anti-discrimination laws (which currently may be enforced only by state authorities) and any more rigorous local laws.

- **Voluntary Social Compliance Audits (AB 3234)**. Businesses will be required to publicly share results of voluntary, non-governmental social compliance audits.
- **Artificial Intelligence Digital Replica Laws (AB 2602 and AB 1836)**. Two new laws will regulate the use of digital replicas – one of the hot-button issues at the heart of the video game actors strike.
- **Model Whistleblower Posting (AB 2299)**. Starting January 1, employers that post a model notice about whistleblower protections will be deemed in compliance with the state’s whistleblower posting requirements. Here’s the model notice.
- **Paid Family Leave Amendment (AB 2123)**. Employers will no longer be permitted to require employees to take up to two weeks of earned but unused vacation days in order to begin receiving benefits under the state’s paid family leave program.
- **Intersectionality of Protected Characteristics (SB 1137)**. State laws will protect against intersectional discrimination in the workplace – meaning discrimination based on a combination of protected characteristics – making California the first state to do so.
- **Minimum Wage Will “Only” Slightly Increase**. While California voters just rejected a ballot measure that would have raised the minimum wage to \$17 or \$18 per hour (depending on the size of the employer), the state’s hourly minimum wage will increase to \$16.50 (regardless of the size of the employer) based on the regular annual adjustment formula. Note that, in addition to various higher minimum wage rates in various cities and counties in the state, California imposes a higher minimum wage for most healthcare workers (which took effect on October 16) and for covered employees in the fast food industry (which took effect on April 1 and could be, but has not yet been, increased again effective January 1 by the state’s newly established Fast Food Council).

Connecticut

- **Expanded Paid Sick Leave (HB 5005)**. Connecticut’s existing paid sick leave requirements will be significantly expanded starting January 1. Learn more here.

Delaware

- **PFML Contributions Begin (Healthy Delaware Families Act)**. While Delaware’s Paid Family and Medical Leave Program does not begin until 2026, covered businesses must start making payroll contributions beginning January 1, 2025.

Illinois

- **Ban on Captive Audience Meetings (SB 3649)**. Employers will be prohibited from holding mandatory meetings with employees concerning religious or political matters, including discussions on union representation.

- **New Pay Transparency Rules (HB 3129)**. Covered employers will be required to provide pay scale and benefits information in job postings and comply with other new pay transparency requirements.
- **Greater Paystub Access (SB 3208)**. Employers will also be required to provide current and former employees greater access to their paystubs, so you'll likely need to update your payroll practices and recordkeeping.
- **Expanded Rights and Increased Penalties Under the IHRA (HB 2161, SB 3310, and HB 5371)**. The Illinois Human Rights Act will soon protect employees based upon their "family responsibilities" and "reproductive health decisions" (as those terms are defined under the amended IHRA). In addition, workers will have two years to file IHRA charges, which will more than double the existing 300-day deadline. Further, employers found to have repeatedly discriminated against multiple employees in the same manner could face increased civil penalties.
- **New E-Verify Obligations (SB 0508)** Employers who continue to use the federal E-Verify system (whether they are required to do so or not) must incorporate new requirements into their employment verification practices. This is especially true for companies that employ a significant number of foreign or international employees.
- **Changes to the Illinois Whistleblower Act (HB 5561)**. Protections for whistleblowers will expand, so employers should review their procedures for investigating employee complaints, even those that are unrelated to harassment or discrimination.

Kentucky

- **Medical Cannabis Legalized (SB 47)**. While Kentucky's Medical Cannabis Program kicks off in January, employers will be permitted to set rules restricting even lawful use by employees. [Here are three employer takeaways and five steps you can take now.](#)

Maine

- **PFML Premiums Begin (Title 26, § 850-F)**. While Maine's new paid family and medical leave benefits won't roll out until May 2026, employers with at least one employee in the state must contribute to the program starting January 1.

Michigan

- **Minimum Wage Hikes in January and February**. The state's hourly minimum wage will increase to \$10.56 (\$4.01 for tipped workers) on January 1 following the usual rate increase schedule. But rates will quickly rise again to \$12.48/\$5.99, thanks to a [Michigan Supreme Court ruling](#) that reinstated, effective February 21, 2025, voter-initiated versions of the state's minimum wage and paid sick leave laws.

Minnesota

- **Pay Transparency (Omnibus Labor Bill).** Most employers will be required to revamp their hiring and compensation practices. Specifically, employers with 30 or more employees in Minnesota will need to include a pay range or fixed pay rate in all job postings.
- **ESST Changes (Omnibus Bill).** The state's new Earned Sick and Safe Time law was updated in several ways earlier this year, but a new rule requiring ESST requirements to apply to other paid time off takes effect January 1. Learn more [here](#).
- **Two-Tier Minimum Wage System Eliminated (Omnibus Labor Bill).** The state's minimum wage for all employers will increase to \$11.13 per hour. The only exception that will remain will be a 90-day training wage (\$9.08 per hour) for workers under age 20. Learn more [here](#).
- **Price Transparency Affecting Hospitality Industry (HF 3438).** Minnesota will soon protect consumers from hidden mandatory fees and surcharges. The new law will particularly impact hospitality employers who have added fees and surcharges to receipts in response to the no-tip-pooling requirement. The state addresses FAQs [here](#).

Missouri

- **Voter-Initiated Wage Hike.** The state's minimum wage will rise to \$13.75 per hour, thanks to a ballot measure that passed on Election Day. The measure also creates paid sick leave requirements for businesses of all sizes starting May 1, 2025, and will increase the minimum wage to \$15.00 per hour effective January 1, 2026.

New Hampshire

- **Guns at Work (HB 1336).** New Hampshire employers that receive public funds will no longer be allowed to prohibit employees from storing firearms in their vehicles that are parked on the employer's property, so long as certain conditions are met.

New York

- **Paid Prenatal Leave (Budget Bill).** New York employers will soon be required to provide pregnant employees with 20 hours of paid prenatal leave each year in addition to any paid sick leave required under state law – making it the first of its kind in the nation.
- **Broader Equal Protection Rights.** New York voters approved a ballot measure that expands the state constitution to provide protections for ethnicity, national origin, age, disability, and sex (including sexual orientation, gender identity, gender expression, pregnancy, pregnancy outcomes, and reproductive healthcare and autonomy).

Oregon

- **New Warehouse Worker Protections ([HB 4127](#))**. Employers that employ or exercise control over the wages, hours, or working conditions of workers at certain warehouse distribution centers will need to comply with new rules and standards for warehouse employees' quota requirements. Employers who are subject to collective bargaining agreements that meet certain requirements will be exempt.

Conclusion

Note that plenty of other workplace-related changes will kick in during the new year – this cheat sheet covers just those that take effect on January 1. Make sure you are subscribed to [Fisher Phillips' Insight System](#) to get the most up-to-date information about other effective dates that will impact your operations. If you have questions, contact your Fisher Phillips attorney.

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