



# California's 2026 Employment Law Changes: What Attorneys Must Know Before the New Year



**California's 2026 employment laws tighten pay reporting, ban training repayment clauses, and expand recordkeeping and leave obligations. Here's what attorneys need to know.**

California has passed another round of workplace laws that will reshape how employers handle pay, recordkeeping, training and labor relations. Many of these measures take effect Jan. 1, 2026, and others will phase in through 2028.

This roundup examines the key statutes emerging from the 2025 legislative session, who they affect and what practical steps lawyers should take as enforcement approaches.

## A transitional moment for California employers



The 2025 legislative session continued a trend that has defined California employment law for more than a decade: layering new transparency and worker-protection rules on top of an already intricate system.

The new laws focus on data, documentation and mobility. Employers will soon need to report more pay information, maintain more detailed training records and remove repayment clauses that limit job movement. For attorneys, the challenge is to help clients turn compliance obligations into consistent, defensible policies before enforcement begins.



## Pay transparency tightens: New reporting and broader definitions

Effective Jan. 1, 2026

Two companion measures ([SB 464](#) and [SB 642](#)) expand the reach of California's pay equity framework.

SB 464 requires employers with 100 or more workers to submit detailed pay data reports to the [California Civil Rights Department](#). These reports must align with the federal Standard Occupational Classification (SOC) system and keep demographic data separate from personnel records.

Meanwhile, SB 642 updates the definition of "pay scale" to mean the good-faith range an employer expects to pay at the time of hire. It also clarifies that "wages" include bonuses, commissions, equity, benefits and reimbursements.

The combined effect will force employers – especially those managing hybrid or multi-location teams – to standardize pay documentation and correct any internal inconsistencies before January.

Attorneys should begin reviewing job classifications and reporting structures now, working with HR and payroll to ensure systems can handle demographic separation and SOC coding. For in-house counsel, the priority is to map how these new definitions align with corporate pay policies before data submissions begin.

## Repayment clauses banned: The end of "training debt"



[AB 692](#), effective Jan. 1, 2026

This new California law bans most "training repayment agreement provisions," commonly called TRAPs, which require employees to repay job-related costs if they resign or are terminated.

Employers, training providers and debt collectors will no longer be allowed to seek repayment when a worker leaves. There are limited exceptions for accredited degree programs, state-approved apprenticeships and standalone bonus agreements with clear pro rata repayment terms.

For attorneys, the next step is to audit employment contracts, tuition reimbursement agreements and any signing bonus documents that include repayment language. Revisions should separate bonus clawbacks into standalone agreements, include explicit notice and pro rata terms and ensure that multistate employers understand California's divergence from federal norms.



## Recordkeeping and disclosure: Expanding access to information

[SB 294](#) and [SB 513](#), effective 2026

Two administrative bills will significantly expand recordkeeping and notice obligations.

SB 294 requires employers to distribute a worker rights notice to all employees by Feb. 1, 2026, and annually thereafter, with a model form to be provided by the labor commissioner. The same law also requires employers to offer workers the option to designate an emergency contact for use in the event of arrest or detention.

SB 513 complements that rule by expanding employees' rights to access their training and education records. Counsel should advise clients to integrate these processes into existing HR systems, ensuring that notices, training data and emergency contacts can be easily updated. Attorneys can help create document retention protocols that balance compliance with privacy obligations under state and federal law.



## Leave and recall: Longer coverage and broader protection



[AB 858](#) continues post-pandemic protections by extending recall and reemployment rights for hospitality, airport and building service employees through Jan. 1, 2027.

Beginning July 1, 2028, [SB 590](#) will expand paid family leave to include care for a designated person who is not related by blood but has an equivalent family relationship.

These changes require long-range planning. Attorneys advising employers with covered workforces should review and harmonize paid family leave and California Family Rights Act policies now, then ensure recall documentation and notification processes remain active through 2026. Explaining these overlapping timelines to HR managers can prevent inadvertent lapses in compliance.

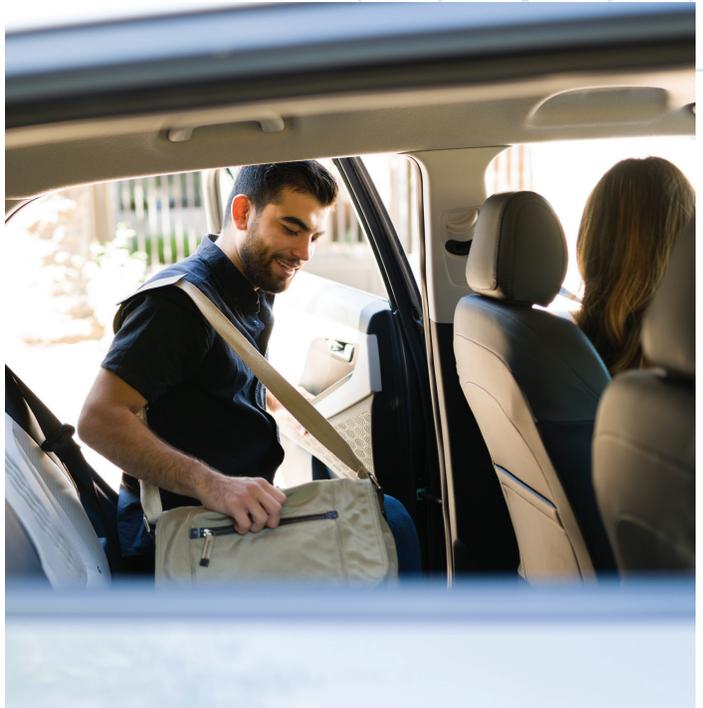
## Labor relations: California expands its reach

**AB 288** authorizes the Public Employment Relations Board (PERB) to oversee certain private sector labor disputes when the National Labor Relations Board (NLRB) declines jurisdiction.

**AB 1340** establishes a collective bargaining framework for app-based transportation drivers under PERB supervision while maintaining their independent contractor classification.

Attorneys representing employers should prepare for potential dual proceedings before PERB and the NLRB, monitor forthcoming PERB rulemaking and advise clients in gig economy sectors to proactively review their arbitration, data and representation procedures.

Attorneys representing employers should prepare for potential dual proceedings before the PERB and the NLRB, monitor forthcoming PERB rulemaking and advise clients in gig economy sectors to proactively review their arbitration, data and representation procedures.



## “Captive audience” meetings: Paused but still a risk

The Worker Freedom from Employer Intimidation Act (**SB 399**) sought to prohibit retaliation against employees who decline employer-sponsored meetings on political or religious topics. A federal court issued a preliminary injunction in October 2025, citing potential First Amendment and federal-preemption concerns. Appeals are pending.

Though the law is on hold, attorneys should counsel employers to avoid coercive or mandatory meetings on union, political or social issues. Retaliation claims under existing statutes remain actionable.

## Preparing for 2026: Enforcement, rulemaking and litigation

Attorneys should expect extensive implementation activity in 2026, including new pay-data templates from the Civil Rights Department, rulemaking from the labor commissioner and PERB procedures defining private-sector jurisdiction. Early litigation is also likely to test pay data reporting penalties and repayment prohibitions.

Lawyers can help clients prepare by building internal compliance calendars, budgeting for HR system upgrades and documenting all policy updates. Keeping contemporaneous records of advice and revisions will also support clients if enforcement actions arise.





## Takeaways for California attorneys

- Audit pay, classification and training policies before the end of the year.
- Train HR and leadership teams on new definitions and reporting duties.
- Keep copies of all policy updates.
- Anticipate overlapping jurisdiction between state and federal labor agencies.
- Expect closer scrutiny of data as regulators transition from audits to analytics.

## The bottom line

California's next wave of workplace regulation emphasizes data accuracy, worker mobility and transparency. For attorneys, 2026 will be less about interpreting new statutes and more about putting them into practice. Firms that help clients operationalize compliance now will protect them from risk and position them to respond confidently when enforcement begins.

---

To explore practical employment law insights tailored to today's challenges, get in touch to schedule a free demo.

---



► Contact us at 1-800-232-3444 or visit us [online](#) to learn more.

CEB is a registered trademark of Continuing Education of the Bar - California (CEB). © The Regents of the University of California, 2025. All rights reserved.



1-800-232-3444



[www.ceb.com](http://www.ceb.com)

California's 2026 Employment Law Changes: What Attorneys Must Know Before the New Year