

ANNUAL EMPLOYMENT LAW SEMINAR:
KEY LEGAL & COMPLIANCE
UPDATES CALIFORNIA EMPLOYERS
NEED TO KNOW IN 2026

January 21 | 4:00pm

Hosted by C3 Risk & Insurance and Sheppard Mullin





Key Legal & Compliance Updates California Employers Need to Know in 2026

C3's Annual Employment Law Seminar

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January 21, 2026

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Agenda

1. Legislative Updates
2. Wage and Hour Update
3. Arbitration Agreements
4. Artificial Intelligence
5. The “One Big Beautiful Bill”
6. Title VII
7. Immigration
8. DOL and NLRB Enforcement Priorities
9. Questions



LEGISLATIVE UPDATES

SB 648: Enforcing Tip Theft

- Effective January 1, 2026.
- **Existing Law**: Employers cannot collect, take, or receive any portion of a tip that a patron pays to an employee, and cannot credit tips against wages.
- **SB 648**: Authorizes the Labor Commissioner to investigate tip theft and prosecute violations through a civil action or by issuing citations, with fines for violations.
 - Includes a “private right of action”
 - Civil penalties of \$250 per violation and \$1,000 for willful violations.



AB 250: Extended Statute of Limitations for Sexual Assault and Related Harassment Claims

- Effective January 1, 2026, a two-year “look-back” window.
- Allows previously expired sexual assault claims to be filed **IF** one or more “entities” responsible for the damages engaged in a “cover up” (or concealment)
 - **Cover up**: Defined as a “concerted effort to hide evidence relating to a sexual assault that incentivizes individuals to remain silent.”
- Includes claims “related to” claims arising out of sexual assault, such as wrongful termination and sexual harassment claims.
- Claims must be filed:
 - By Jan. 1, 2026 or between Jan. 1, 2026 – Dec. 31, 2027
- Claims may be brought against:
 - The organization, and/or the individual perpetrator



SB 809: Independent Contractors and Employee Vehicle Business Expenses

- Effective January 1, 2026.
- Courts must use the three-part “ABC Test” to decide if a worker is an employee or independent contractor
- Owning a vehicle does NOT make someone an independent contractor unless the ABC Test is met
- Employers must reimburse **reasonable business expenses**, including use of a personal or commercial vehicle
- **Construction trucking employers** must reimburse owner-drivers for: Vehicle use, upkeep, and depreciation
- Reimbursement can be negotiated and must be at least:
 - A flat rate covering actual costs, or
 - A per-mile rate no less than the IRS mileage rate



SB 294: The Workplace “Know Your Rights” Act

- Effective February 1, 2026.
- Requires employers to provide a “**stand-alone written notice**” to each current employee and every new hire regarding certain **workers’ rights**:
 - *E.g., worker’s compensation, immigration-related protections and agency inspections, union organizing rights, and law enforcement actions*
- Provide on or before February 1, 2026, and then annually.
- Requires employers, upon an employee’s request, to notify the employee’s designated emergency contact if the **employee is arrested or detained**
- Includes an anti-retaliation provision and a \$500 per employee per violation **penalty** provision
- The Labor Commissioner has created a template notice available online.



AB 692: Employment Contract Repayment Prohibition

- Effective January 1, 2026, no more “**stay or pay**” provisions.
- Applies to any contract entered into as of January 1, 2026, making it unlawful to:
 - Require payment of a debt when employment ends
 - Start collecting a debt because employment ends
 - Impose penalties, fees, or costs tied to termination
- **Exceptions** (*still allowed in limited situations*), including:
 - Government loan repayment or forgiveness programs
 - Tuition repayment for certain transferable credentials
 - Approved apprenticeship programs
 - Certain bonuses or unearned payments (if specific rules are followed)
 - Residential property lease, financing, or purchase agreements
- May have contingent signing bonuses (if certain requirements met)
- Employees can sue for actual damages or \$5,000 in civil penalties.



AB 692: Employment Contract Repayment Prohibition

- **Exception:** Employers can offer a discretionary or unearned payment, including a financial bonus, at the outset of employment that is not tied to job performance, only if:
 - The terms are in a separate agreement;
 - The employee is notified that they have a right to consult a lawyer and gets at least five (5) business days to review with a lawyer;
 - Repayment for early separation is interest-free and prorated based on the remaining term of the repayment period, which cannot exceed two years;
 - The employee can defer receipt of the payment until the end of the retention period; and
 - Repayment applies only if the employee elects to resign early or is fired for “misconduct” (as defined by the Unemployment Insurance Code).

SB 513: Personnel Records

- Requires that personnel records relating to the employee's performance include education and training records, and requires the employer ensure those records contain the following information:
 - Employee name;
 - Training provider name;
 - The duration and date of the training;
 - Core competencies of a training, including skills in equipment or software; and
 - The resulting certification or qualification
- **Impact:** Creates additional legal theories for employees to support their Failure to Keep Accurate Records claims in class actions and/or PAGA representative actions



SB 729: Fertility Coverage Mandate

- Effective January 1, 2026
- Fully insured large group plans (101+ employees) must cover **fertility treatment**
- Cost sharing must match other medical benefits
- Expanded **definition** of infertility:
 - Includes same-sex couples, single parents by choice, individuals with medical infertility, and recurrent pregnancy loss
- Small group plans (≤ 100 employees) must offer at least one plan option with fertility coverage (some exceptions)
- **Exception:**
 - Self-funded or level-funded plans
 - Certain religious employers, Medi-Cal, and some state plans (CalPERS exempt until July 1, 2027)
- Applies to any fully insured plan covering California employees, even if issued out of state



SB 642: Definition of Pay Scale

- **Existing law**: Requires that employers make available the “pay scale” of a position to a candidate applying for that position (what expected to pay “for the position” generally)
- **SB 642**:
 - Revises the definition of “pay scale” to mean a “good faith estimate” of the salary or hourly wage range “upon hire”—i.e., what the employer reasonably expects to pay a new hire on Day One (including bonuses, commissions, etc.)
 - Increases the Statute of Limitations:
 - Discrimination claims under CA Equal Pay Act = 3 yrs
 - Wage claims = 6 yrs



SB 590: Designated Person for Paid Family Leave

- Beginning July 1, 2028, SB 590 expands eligibility for benefits under the paid family leave program (“PFL”)
- Employees may now take PFL to care for a “designated person.”
 - **Designated person**: Any blood relative or individual who is the equivalent of family, even if the individual is not biologically or legally related to the employee.
- An employee will identify the “designated person” the first time they file a claim for family temporary disability insurance benefits to care for a designated person, and will be required to state, under penalty of perjury, how they are associated with that person by blood or the equivalent of a family relationship



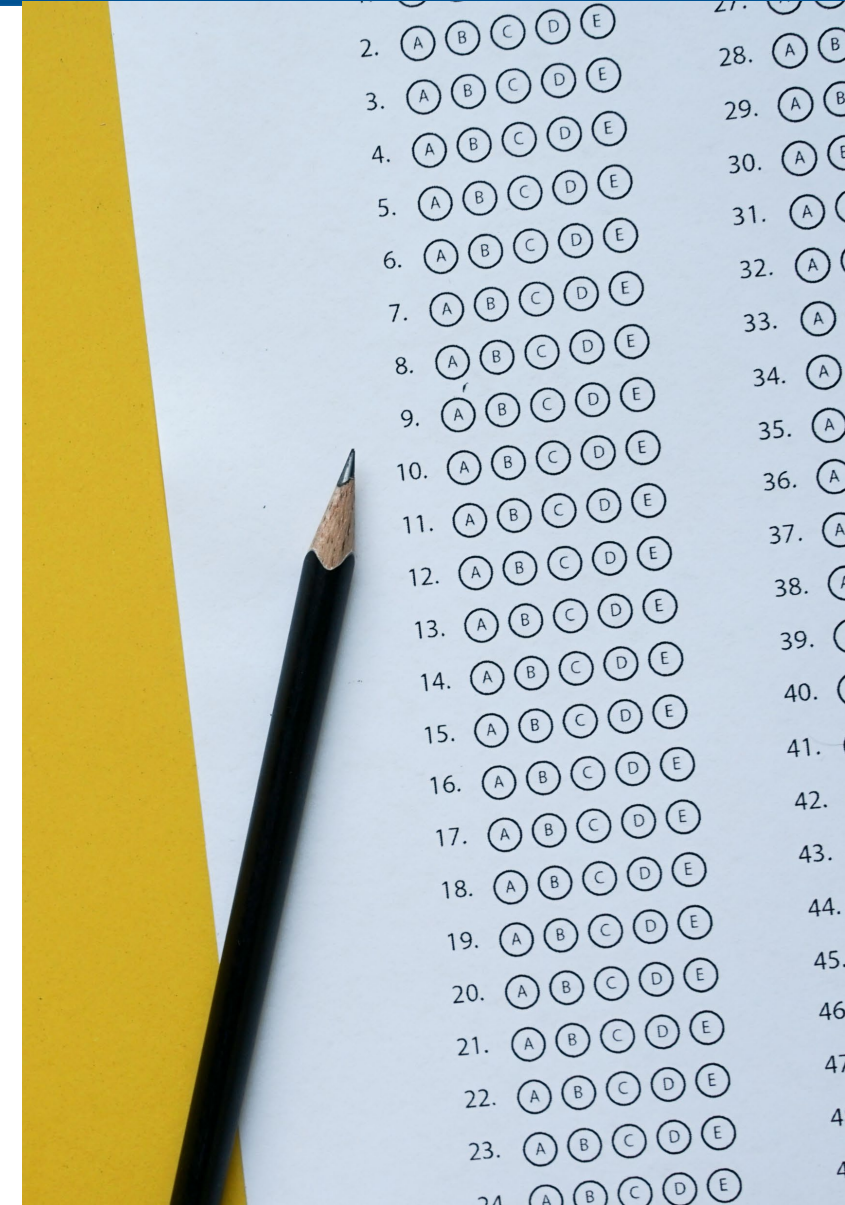
SB 261: DLSE Enforcement of Wage Judgments

- Strengthens enforcement against unpaid wages
- Employers with unpaid wage judgments may face penalties of:
 - Up to 3X the unpaid amount
 - Plus interest, attorney's fees, and costs
- Penalties apply if a final wage judgment remains unpaid for 180 days
- Employers may reduce penalties by proving “good cause” with clear evidence
- Any court-imposed civil penalties are split:
 - 50% to the employee
 - 50% to the DLSE for labor law enforcement



SB 303: Bias Mitigation Training

- The FEHA is amended to clarify that that an employee's assessment, testing, admission, or acknowledgment of their own **personal bias**, if made in good faith during a bias mitigation training, **does not constitute unlawful discrimination**.
- Bias mitigation training includes education and activities aimed at helping employees understand, recognize, and address both conscious and unconscious biases and their impacts in the workplace.
- The training may involve specific strategies such as assessing or testing for bias, analyzing results, conducting workshops, using toolkits, and tracking bias mitigation efforts.



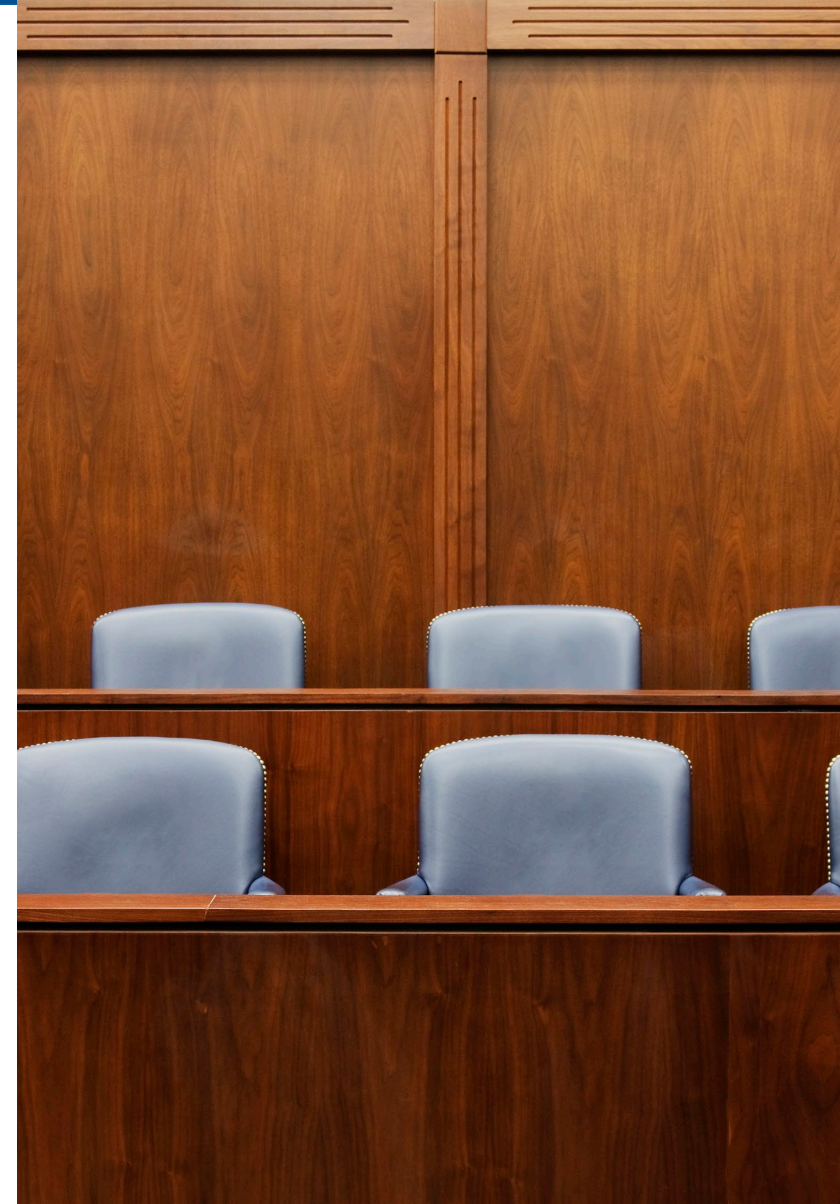
SB 464: Employer Pay Data

- Requires a private employer with 100 or more employees to submit an annual pay data report to the Civil Rights Department (“CRD”)
- Requires employers to collect and store any “demographic information” gathered by an employer or labor contractor for the purpose of submitting the required pay data report to the CRD, separately from employee personnel records
- Beginning January 1, 2027, increases and expands the number of job categories on which employers must report pay data from 10 to 23
- Makes mandatory the civil **penalty** on an employer for failing to file a pay data report if requested by the CRD
 - up to \$100 per employee for the first failure to file, and up to \$200 per employee for each subsequent failure



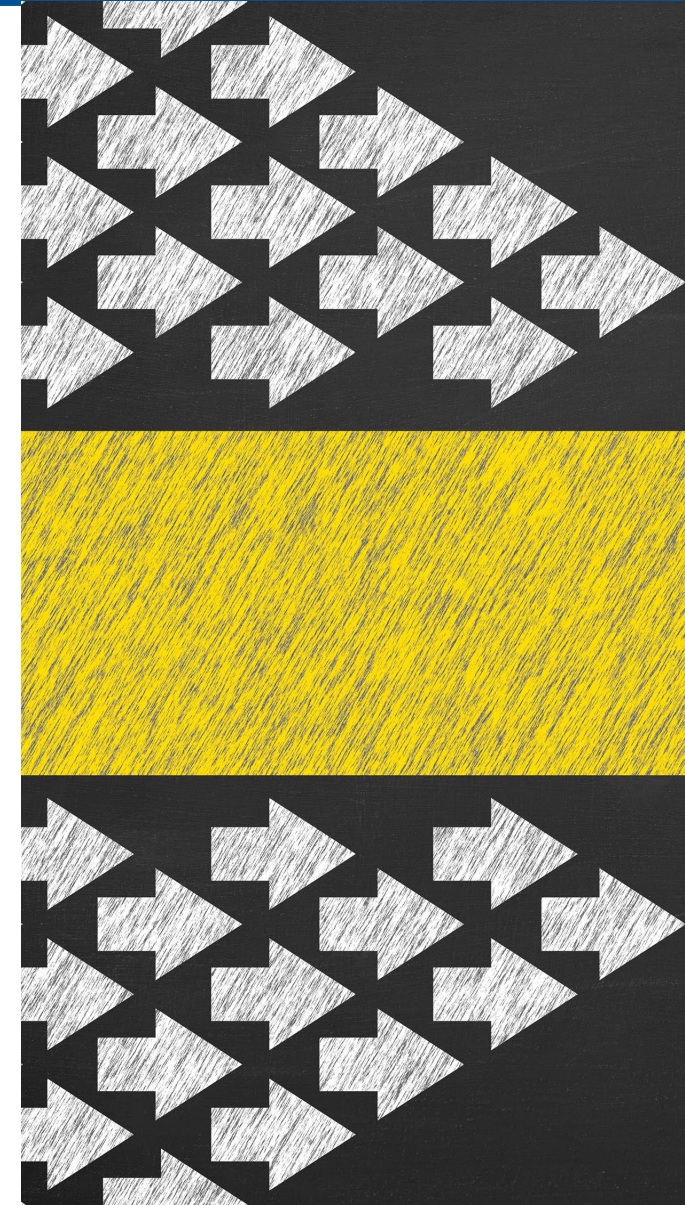
AB 406: Using Paid Leave for Jury Duty / Court

- Employers cannot discharge, discriminate, or retaliate against employees for taking time off to:
 - Serve on a jury or comply with court orders.
 - Appear in court as a witness or for judicial proceedings related to a crime.
 - Obtain relief such as restraining orders or other protective measures.
 - Seek medical attention, counseling, or services from shelters or victim assistance organizations.
 - Participate in safety planning, relocation, or other measures to protect themselves or family members.
 - Care for a family member affected by a qualifying act of violence.
- Leave may be used for the employee or an immediate family member involved in judicial proceedings



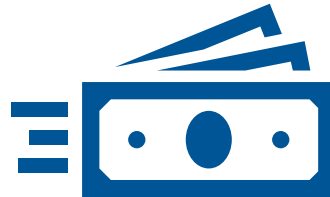
SB 477: FEHA Enforcement Updates

- Expanded **definitions** under FEHA: clarifies disability, sex (including reproductive health), race, protective hairstyles, and group/class complaints
- **Tolling of deadlines**: extended for complainants and the CRD during:
 - Filing with CRD; Dispute resolution or mediation; Appeals or petitions to compel; Director-initiated or group/class complaints
- **Right-to-sue notices**: must be issued after resolution of director-initiated or group/class complaints, appeals, or administrative proceedings
- DFEH **enforcement** powers:
 - Can bring civil actions on behalf of aggrieved persons if conciliation fails
 - Mandatory dispute resolution before litigation
 - Civil actions may be filed in any county in the state for group/class complaints
- Court **remedies**:
 - Reinstatement, backpay, hiring, transfers, promotions, training for employees and supervisors, civil penalties (up to \$25,000 for certain violations), etc.
- Special provisions:
 - Concurrent EEOC filings toll the one-year statute of limitations
 - Civil actions may not be maintained as class actions if a comparable federal class action exists
 - Courts may award attorney's fees and costs to prevailing parties



WAGE & HOUR UPDATE

Minimum Wage Increases



Minimum Wage Increases

In 2025, California's minimum wage was \$16.50 per hour for all employers

On January 1, 2026, minimum wage increased \$0.40 to \$16.90 per hour (unless local ordinance is higher)

This means the minimum salary for exempt employees also increased to \$70,304 annually (Salary basis test = 2x state minimum wage)

Also, minimum salary for California computer professional exemption increased to \$122,573.13 (or \$58.85/hour if paid hourly)

Industry Specific Minimum Wage Increases

Fast food workers

- At limited-service restaurants that are part of chains with over 60 locations nationally, the minimum wage increased to \$20 per hour as of April 1, 2024

Healthcare workers

- Rates currently range from \$18.63 per hour to \$24 per hour depending on the type of health care facility, with set future increases hereafter

Hotel workers

- Long Beach: \$25.00 per hour for hotels with 100 or more guest rooms
- LA: \$22.50 per hour for hotels with 60 or more rooms
- Santa Monica: \$22.50 per hour for hotels & businesses operating on property
- West Hollywood: \$20.22 per hour for hotel employees

County/City Minimum Wage Update

Alameda, CA: \$17.46/hour (updated 7/1/25)

Berkeley, CA: \$19.18/hour (updated 7/1/25)

Emeryville, CA: \$19.90/hour (updated 7/1/25)

Fremont, CA: \$17.75/hour (updated 7/1/25)

Long Beach, CA: \$25.00/hour for hotels with 100 or more guest rooms (updated 7/1/25)

City of Los Angeles, CA: \$17.87/hour (updated 7/1/25); \$22.50/hour for hotels with 60 or more rooms (updated 9/8/25)

Los Angeles County, CA (unincorporated areas): \$17.81/hour (updated 7/1/25)

Malibu, CA: \$17.27/hour; the increase set to take effect on 7/1/25 was suspended for one-year

Milpitas, CA: \$18.20/hour (updated 7/1/25)

Pasadena, CA: \$18.04/hour (updated 7/1/25)

San Francisco, CA: \$19.18/hour; \$16.97/hour for a small number of “Government Supported Employees” (updated 7/1/25)

Santa Monica, CA: \$17.81/hour (updated 7/1/25); \$22.50/hour for hotels and businesses operating on hotel property (updated 9/8/25)

West Hollywood, CA: \$19.65/hour for non-hotel employees (updated 1/2/25); \$20.22/hour for hotel employee (updated 7/1/25)

San Diego, CA: \$17.75 per hour. This rate applies to all businesses and workers performing at least two hours of work within the city limits

Recent Court Decisions



Bradsbery v. Vicar Operating, Inc.

- The California Court of Appeal affirmed that employers and employees can enter into prospective written agreements to waive meal periods for shifts between five and six hours
- Plaintiffs brought a class action alleging Vicar failed to provide meal periods
- Plaintiffs signed written agreements that prospectively waived all meal periods for shifts less than six hours and provided that Plaintiffs could revoke the agreement at any time

Bradsbery v. Vicar Operating, Inc.

- Under Labor Code section 512 and IWC Wage Order Nos. 4 and 5:
- Employees who work more than 5 hours in a day are entitled to at least one 30-minute meal period
 - If they work less than 6 hours, the meal period can be waived by *mutual* consent
- Employees who work more than 10 hours in a day are entitled to a second meal period that is at least 30 minutes
 - If they work less than 12 hours and took their first meal period, then the second meal period can be waived by *mutual consent*
- Ambiguities: The statute and wage orders are silent as to timing (*i.e.*, daily or prospective) and form (*i.e.*, oral or written) of the waiver

Bradsbery v. Vicar Operating, Inc. (cont.)

- The Court held that the written, revocable, and prospective meal period waiver agreements for shifts between five and six hours are enforceable
- **Key considerations:**
 - Employees could freely revoke the waiver at any time
 - No evidence:
 - That the agreements were unconscionable
 - That the agreements discouraged employees from taking meal periods
 - Coercion by the employer
 - That Plaintiffs signed the agreements under duress

Takeaways

- Employers can utilize advance written meal period waivers for shifts between five and six hours (and between ten and twelve hours)
- One-time advance waivers can be enforced
- If utilizing an advance meal period waiver, ensure that:
 1. The waiver is clearly written, voluntary, and includes a revocation provision
 2. Employees sign the waiver
 3. Employees are not pressured into agreeing to the waiver

ARBITRATION AGREEMENTS

AAA Rule Change



AAA Employment Arbitration Rules Update

- Effective May 1, 2025
- AAA's rules now cover **independent contractors** when disputes involve any work-related claims
- Virtual Hearings: Default use of remote hearings clarifies what format parties should expect, unless good cause exists for in-person hearings
- Rules regarding dispositive motions, counsel withdrawal, and administrative fees are clarified
 - Discovery: Rules now explicitly allow arbitrators to order depositions and third-party discovery, which was ambiguous before
 - Motions: Arbitrators must consider time and cost when deciding whether to allow dispositive motions, giving clearer guidance on when summary judgment-style motions are appropriate

Recent Court Decisions



Hohenshelt v. Superior Court

- Hohenshelt was employed by Golden State Foods and, as a condition of employment, signed an arbitration agreement governed by the Federal Arbitration Act (“FAA”)
 - The agreement required the employer, who was the drafting party, to pay arbitration fees and costs
- Under California Code of Civil Procedure section 1281.98, these fees must be paid “within 30 days after the due date” unless the parties contractually agreed otherwise. If not, the employer is in “material breach,” is defaulted, and waives the right to compel arbitration; the employee may then withdraw and proceed in court
 - Golden State Foods failed to pay certain invoices within 30 days
 - Hohenshelt sought to withdraw from arbitration under Section 1281.98
 - Lower courts differed on whether strict enforcement of Section 1281.98 was required

Hohenshelt v. Superior Court

- The California Supreme Court rejected the view that Section 1281.98 mandates a “harsh, inflexible” rule that waives arbitration rights for any late payment regardless of circumstances
 - It emphasized that such a rigid construction would conflict with long-standing contract law and doctrines of equity
- The Court clarified that non-performance, *i.e.*, late payment, does not automatically extinguish other contractual duties unless the non-performance is willful, grossly negligent, or fraudulent
- Delays caused by good faith mistake, inadvertence, or other excusable neglect may warrant relief under applicable contract or equity principles

Hohenshelt v. Superior Court

Before:

- California Code of Civil Procedure Section 1281.97 imposed strict deadlines for payment of arbitration fees, with severe consequences (e.g., employer deemed in material breach)
- Employers argued this conflicted with the FAA

Now clarified:

- The California Supreme Court narrowed how arbitration fee payment deadlines are interpreted so they do not conflict with the FAA
- Employers have more certainty about what constitutes timely payment and avoids automatic forfeiture of arbitration rights

Velarde v. Monroe Operation, LLC

- Velarde was hired by Monroe Operations, doing business as Newport Healthcare, as a care coordinator
- Newport required her to sign an arbitration agreement as a condition of employment during onboarding
- On her first workday, Velarde was presented with a stack of 31 documents to sign before she could start work
 - One of those documents was the arbitration agreement
 - She expressed discomfort, saying she did not understand what it was
 - She was told by HR that she had to sign it to begin employment

Velarde v. Monroe Operation, LLC

Procedural Unconscionability:

- The agreement was adhesive, *i.e.*, a take-it-or-leave-it condition
- Velarde was pressured to sign quickly, given a stack of many forms, with the HR manager present and waiting
- She was told she had to sign to start work

Substantive Unconscionability:

- The full terms did not match what Velarde reasonably expected, given what she was told
- She expected a simpler, informal, less costly process; instead, the terms mirrored more formal litigation
- There were hidden or unfavorable terms that disadvantaged Velarde

Velarde v. Monroe Operation, LLC

Before:

- Courts split on what kind of onboarding or electronic signature processes were valid for binding employees to arbitration

Now clarified:

- Enforceability depends on whether the employee had a meaningful opportunity to review the agreement, whether the process was transparent, and whether misleading or coercive tactics were used
- This clarifies best practices for presenting agreements
 - Having separate documents
 - Clear language
 - Employee needs time to review

Takeaways

- How and when the arbitration agreement is introduced can affect its enforceability
- Employers should avoid pressured or rushed execution
- Misrepresenting what the arbitration agreement does/says is very dangerous
- If an employee is told that an arbitration agreement offers inexpensive, informal resolution, but terms indicate formal, costly procedures, such a mismatch undermines enforceability
- Allowing sufficient time and the opportunity to review and consult counsel can help reduce procedural unconscionability
- Disclose the process, cost, rules, etc., in accessible language

ARTIFICIAL INTELLIGENCE (AI)

AI: Why This Matters

- AI and algorithmic tools are increasingly used in hiring and HR decisions with respect to recruitment, hiring, and promotion
- California has now introduced regulations to govern these tools under the FEHA
- The purpose of the new rules is to prevent discrimination, ensure transparency, and promote fairness in employment practices
- These rules apply to all employers, regardless of size



AI: Framework

- The new regulations are enforced by the CRD and are grounded in the FEHA
- They protect employees and applicants from discrimination based on categories such as race, sex, disability, and religion
- The rules apply broadly to all employment decisions, including hiring, promotion, training, termination, and accommodations
- The new regulations went into effect **October 1, 2025**



AI: Definitions

- An **automatic decision system** (ADS) is defined as any “computational process derived from machine learning, statistical modeling, data analytics, or artificial intelligence that issues simplified output, including a score, classification, or recommendation, that is used to assist or replace human discretionary decision-making and materially impacts natural process.”
- “Selection criteria” refers to the factors, scores, or weights that are used in determining employment outcomes
- The regulations are written broadly, so even tools not marketed as “AI” may fall within their scope



AI: What Can Employers Do?

- Employers are prohibited from using ADS in a way that results in unlawful discrimination or disparate impact on protected groups
- Employers must provide reasonable accommodations for applicants or employees affected by ADS due to disability or religion
- Employers are expected to conduct bias testing or audits of the ADS they use
- Employers must maintain records of the ADS inputs, outputs, and bias testing results



AI: Bias Testing and Employer Liability

The CRD will:

- Evaluate whether employers conducted recent and comprehensive bias testing
- Review whether the testing was documented
- Evaluate whether corrective action was taken when necessary



AI: Risks for Employers

Risks to Employers Include:

- Discrimination lawsuits under the FEHA, both individual and class claims
- Representative claims under PAGA, if ADS leads to systemic violations
- Reputational harm and erosion of employee trust



AI: Moving Forward

Recommendations:

- Employers should review their applicant tracking and screening systems
- Update job postings and selection criteria to ensure they align with regulations
- HR, IT, and Legal departments should coordinate to establish governance over ADS tools
- Schedule an internal AI bias audit as soon as possible



THE “ONE BIG BEAUTIFUL” BILL

The “One Big, Beautiful Bill”: What is it?

- Signed into law on July 4, 2025
- Changes to immigration, energy, healthcare, and safety net programs
- Permanent 20% small business deduction for pass-through entities, such as sole proprietorships and partnerships
- Permanent lower corporate tax rate
- Permanent 100% bonus depreciation and full expensing for business investments



The “One Big, Beautiful Bill”: Employer Impact

Key Impacts On Employers:

- No tax on overtime: non-exempt workers will be able to deduct up to \$12,500, or \$25,000 for a joint return, in overtime pay from their taxable income on their federal tax returns
- No tax on tips: all reported tips up to \$25,000 are now exempt from federal income tax, applies to tips reported to employers and reflected on W-2 forms
- Dependent Care Flexible Spending Accounts: Increased maximum contribution
- On-premise meals: Deductions for certain expenses related to employer-provided meals on premises

The “One Big, Beautiful Bill”: Employer Impact

- Expanded HSA: all bronze and catastrophic plans will be treated as HSA eligible
- Medicaid work requirements: adults aged 19-64 must complete 80 hours/month of employment, job training, education, or community service to remain eligible
- Enhanced business tax credit for PFL: expansion of provisions providing tax credits to employers that offer paid family and medical leave to employees caring for ill family members
- Increase to ABLE Account Contribution: employed individuals with disabilities may contribute additional funds to their ABLE accounts

The “One Big, Beautiful Bill”: Employer Impact

- Introduction of “Trump Accounts”: allows for employer contributions to tax-preferred account for children under 18
- Tax Deduction Cap: rules are tightened around how much companies can deduct for executive compensation; remuneration from all entities within a “controlled group” counts toward the \$1M deduction limit

Takeaway

- Review compliance requirements, enhanced tax credits, and adjust employee compensation structures and HR policies on leave and Medicaid



TITLE VII

Recent Court Decisions



Ames v. Ohio Dep't of Youth Servs.

- SCOTUS ruling on June 5, 2025, vacated and remanded a Sixth Circuit ruling in a Title VII “reverse discrimination” case
- Plaintiff, a heterosexual woman, brought a Title VII discrimination suit against her employer on the basis of sexual orientation, after being denied a promotion in favor of a lesbian woman and after being demoted and her position filled by a gay man
- The District Court granted the employer’s summary judgment motion, and the Sixth Circuit affirmed the District Court’s ruling
- The District Court found that Ames failed to demonstrate a triable issue of fact because she did not provide evidence of “background circumstances” indicating that the employer was an unusual/rare entity that discriminates against the majority

Ames v. Ohio Dep't of Youth Servs.

- The Sixth Circuit's Ruling was based on a "heightened standard" requirement for a "majority plaintiff," *i.e.*, the "majority plaintiff" must show "background circumstances" that the employer discriminated against that group. This is in lieu of the requirement that a plaintiff demonstrate that they are part of a protected class
- Prior to Ames, circuit courts were split as to whether this heightened standard applied to "majority group" plaintiffs

Ames v. Ohio Dep't of Youth Servs.

- **But SCOTUS rejected this heightened standard for plaintiffs who are members of a “majority group” because:**
 - The “background circumstances” requirement conflicts with the plain language of Title VII
 - All Title VII plaintiffs, regardless of majority or minority status, are subject to the same standard under Title VII
 - Title VII protects “any individual” from discrimination based on race, color, religion, sex, or national origin, regardless of group membership

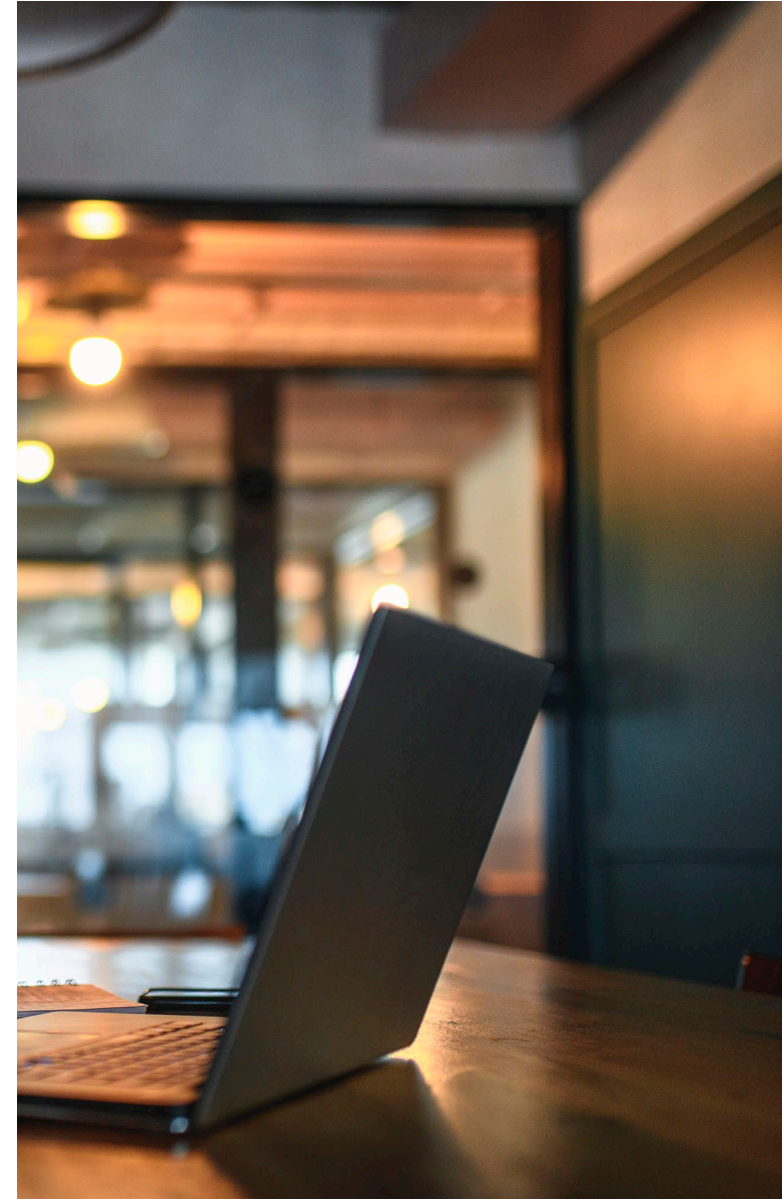
Takeaways

- Potential increase in Title VII claims by “majority plaintiffs” who believe they have experienced reverse discrimination
- Increase in likelihood that “majority plaintiffs” will survive the *prima facie* stage of establishing a Title VII discrimination case
- Employers can no longer argue as a threshold defense that a majority group plaintiff failed to show that the employer is “inclined to discriminate against the majority group”
- Consider reviewing and revising anti-discrimination policies, training, and procedures to reflect equal application of Title VII protections to all employees, regardless of demographic group

IMMIGRATION

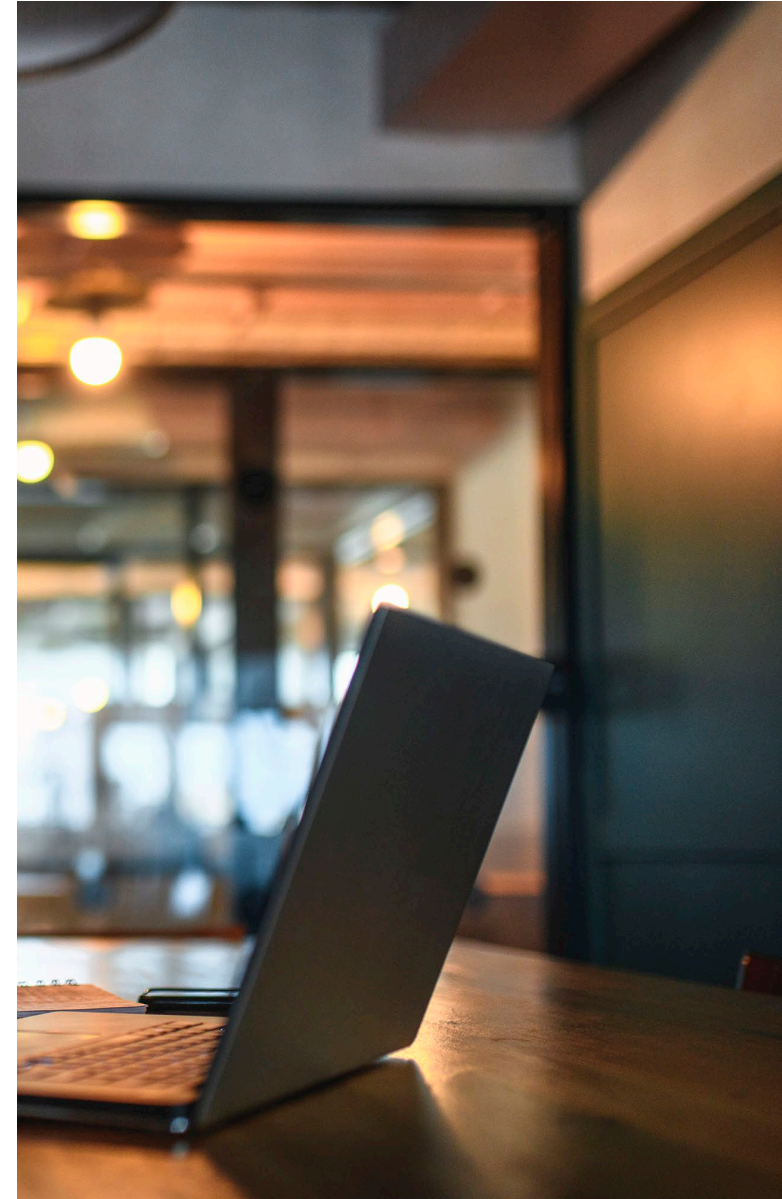
I-9 Update

- \$170B funding under the “One Big Beautiful Bill” to DHS for law enforcement
- ICE I-9 Audits are still rare, but increasing
- If served an audit, don’t make any corrections at that point
- ICE’s primary focus is employee use of fake documents and stolen identities
- I-9 audit may be a precursor to a “raid” to arrest those with suspect documents
- **Warrants:**
 - If Civil, may ask ICE to stay in lobby
 - But, if Criminal, stand back



I-9 Update: Additional Takeaways

- E-Verify doesn't always detect stolen identities
- Avoid E-Verify unless mandated; ICE may data mine E-Verify
- Do due diligence to make sure any staffing agency is I-9 compliant
- Digital I-9 software is best practice to avoid paperwork violations
- USCIS cancelling many humanitarian paroles and Temporary Protective Status grants
- EAD work permit auto extension rules keep changing and are complicated
- If you get it wrong, employee can complain to DOJ IER, which triggers government audit



\$100,000 H-1B Filing Fee

- Signed as a Presidential Proclamation on September 19, 2025
- White House asserts there is a national emergency due to displacing U.S. IT workers
- Imposing \$100,000 filing fee for new H-1B petitions filed for workers overseas
- Still unclear whether it impacts employees currently in U.S. when they travel abroad
- Open question if courts will enjoin due to conflict with Congressional intent
- Also proposing H-1Bs be limited to Level 4 wages
- Expect to see more H-1B wage audits by the DOL



DOL & NLRB ENFORCEMENT PRIORITIES

DOL Enforcement Priorities

- Overall Direction
 - Shift toward a more employer-friendly, deregulatory approach
 - Reduced emphasis on aggressive enforcement actions
- What This Means for Employers
 - Fewer investigations and audits expected due to staffing and budget constraints, and subject targets
- Affirmative Action / DEI:
 - Rollback of affirmative action obligations for federal contractors
 - Reduced federal enforcement of DEI-related requirements



NLRB Enforcement Priorities

- Overall Direction
 - Business-friendly interpretations of federal labor law
 - Scaling back of Biden-era, pro-union enforcement positions
- What This Means for Employers
 - Reduced likelihood of aggressive unfair labor practice prosecutions
 - Narrower definitions of “protected concerted activity”
 - More predictable outcomes for employers in labor disputes
- Union Organizing
 - Higher burden on unions in organizing campaigns
 - Fewer restrictions on employer communications during organizing
- Independent Contractors & Joint Employers:
 - Narrower standards favoring employer classifications
- Still important to train managers to avoid clear NLRA violations



Thank You for Attending!

Any Questions?

