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2026 Mid-Year Employment Law Updates

Throughout the first half of 2026, numerous state and local governments enacted or implemented new employment laws affecting employers nationwide. Below is a non-exhaustive summary of key employment law updates effective in the middle of 2026. For additional insights, contact your Polsinelli attorney.

State	Topic	Summary of Employment Law Update
Alaska	Minimum wage	Effective July 1, 2026, Alaska's minimum wage increased from $13.00 to $14.00 per hour for all employers.
California	Minimum wage	Effective July 1, 2026, the following California localities increased their minimum wage: Alameda, $17.76 per hour; Berkeley, $19.61 per hour; Emeryville, $20.34 per hour; Fremont, $18.05 per hour; Los Angeles, $18.42 per hour; unincorporated Los Angeles County, $18.47 per hour; Malibu, $17.91 per hour; Milpitas, $18.50 per hour; Pasadena, $18.57 per hour; San Francisco, $19.61 per hour; and Santa Monica, $18.47 per hour.
Illinois	Neonatal intensive care leave	Effective June 1, 2026, the Illinois Family Neonatal Intensive Care Leave Act gives eligible employees up to 20 days of unpaid, job-protected leave when their child is admitted to a neonatal intensive care unit. The amount of available leave depends on employer size, with up to 20 days available at employers with 51 or more employees and up to 10 days available at employers with 16 to 50 employees. The law does not appear to impose a minimum tenure or hours-worked requirement for eligibility. Leave may be taken continuously or intermittently, and employers must maintain the employee's health insurance benefits during the leave. Employees who are eligible for federal FMLA leave generally must use FMLA leave first, with NICU leave available afterward if the child remains hospitalized. Employers may not require employees to substitute accrued paid leave for NICU leave, although employees may elect to use available paid leave. Covered employers should update their leave policies, recordkeeping systems, and manager training to address eligibility, coordination with FMLA and paid leave, intermittent leave, and benefit-continuation requirements.

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Illinois	Local minimum wage (Chicago and Cook County)	Effective July 1, 2026, local minimum wage increases took effect across the city of Chicago and Cook County. In Chicago, the standard minimum wage for employers with four or more employees rose to $17.05 per hour, and the base wage for tipped employees moved to $12.96 per hour after the city council again delayed the phase-out of the tipped subminimum wage; on May 20, 2026, the council voted to hold the tip credit at 24% of the applicable minimum wage rate through June 30, 2028. In suburban Cook County (excluding Chicago), the baseline rate increased to $15.40 per hour for standard employees and $9.25 per hour for tipped employees, though home rule suburbs may opt out of the county-level mandate, and most have done so. Employers should audit each business location to determine whether Chicago, suburban Cook County, or a non-opt-out home rule municipality governs and should update payroll systems accordingly.
Illinois	Chicago paid leave and paid sick leave	Chicago issued two notable updates to its Paid Leave and Paid Sick and Safe Leave Ordinance addressing childcare-related leave and enforcement. Effective June 1, 2026, revised rules clarify that employees may use paid sick leave when a child's place of care unexpectedly becomes unavailable, including informal arrangements involving babysitters, family members, or friends, in addition to formal arrangements such as schools and daycare centers. Effective July 1, 2026, the temporary pre-suit waiting period for private civil actions alleging violations of the Ordinance's paid leave requirements expired, permitting covered employees to file paid-leave claims without first waiting until the next regular payday or 16 days after the alleged violation, whichever is shorter. Employees who prevail may recover three times the amount of leave denied or lost, plus interest, costs, and reasonable attorneys' fees. Employers should update their Chicago paid leave and paid sick leave policies and confirm their recordkeeping practices comply with the Ordinance given the heightened litigation risk.
Louisiana	Paid family leave insurance	Effective June 8, 2026, Louisiana enacted the Paid Family Leave Insurance Act, which allows licensed life or disability insurers to offer a new line of insurance providing wage-replacement benefits for qualifying family-related, non-disability absences. The Act does not generally require Louisiana employers to purchase this insurance or provide a new category of paid leave; rather, it creates a statutory mechanism through which employers may choose to offer insured wage-replacement benefits for qualifying leave.

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Maine	Drug and alcohol testing	Effective July 29, 2026, Maine amended its workplace substance use testing law to replace the former probable cause standard with a reasonable suspicion standard based on specific, articulable facts and observable behaviors suggesting impairment; a workplace accident alone will not justify testing absent other observable indicators of impairment. The amendments prohibit arbitrary testing and permit reasonable-suspicion testing, criteria-based testing tied to neutral events such as promotions, employment anniversaries, or client- or site-specific requirements, and qualifying random testing conducted through a neutral selection method. The law also requires that employees and applicants be given an opportunity to contest a non-negative test result and provide a legitimate medical explanation before the medical review officer reports a final result to the employer. The amendments further reduce the required rehabilitation opportunity following an initial confirmed positive test from up to six months to up to 12 weeks and, except to the extent covered by group health insurance and subject to specified statutory exceptions, make rehabilitation costs the employee's sole responsibility. Employers with Maine testing programs should update their written policies, train managers on documenting reasonable suspicion, and confirm that testing vendors and medical review officers are prepared to comply with the new requirements.
Maine	Workplace electronic monitoring	Effective July 29, 2026, Maine's new workplace electronic monitoring law requires employers to provide notice before monitoring employees, disclose monitoring practices to applicants during the interview process, and provide employees with written notice annually. The law also restricts certain monitoring in employees' homes, personal vehicles, and on personal devices, and permits employees to refuse installation of surveillance applications on personal devices. Employers should review their monitoring practices and update their policies and notices to ensure annual disclosures are in place.
Maine	Pay transparency	Effective July 29, 2026, Maine's new pay transparency law requires employers with 10 or more employees to include the anticipated pay range in job postings, including postings made through third parties; commission-only postings must instead state that compensation is based solely on commission. Employers must also disclose the pay range for a current employee's position upon request and must maintain records of each employee's positions and pay history throughout employment and for three years after separation. Employers should review job-posting templates and recruiter practices, establish pay ranges for positions, and implement procedures for responding to employee pay-range requests.

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New Jersey	Family and medical leave	Effective July 17, 2026, New Jersey significantly expanded state job-protected leave. Workers receiving Temporary Disability Insurance or Family Leave Insurance benefits now receive job protection during their leave even if they are not otherwise protected by the New Jersey Family Leave Act (NJFLA) or the federal Family and Medical Leave Act (FMLA). NJFLA coverage was also expanded by lowering the employer threshold from 30 to 15 employees worldwide, and employee eligibility was reduced from 12 months to three months of employment and from 1,000 to 250 hours worked in the preceding 12 months. Together, these changes extend job-protected leave to many employees previously left uncovered by either the NJFLA or the federal FMLA.
Oregon	Minimum wage	Effective July 1, 2026, Oregon's minimum wage increased to $16.80 per hour in the Portland metro area, $15.55 per hour in the standard tier, and $14.55 per hour in the nonurban tier. Oregon's minimum wage rates are adjusted annually for inflation, and the state does not permit a tip credit; tipped employees must receive the full applicable regional minimum wage.
Oregon	Immigration discrimination	Effective June 5, 2026, Oregon employers may not discharge, discriminate, or retaliate against employees who update or attempt to update their personal information following a lawful change in their federal employment-authorization documentation, effectively recognizing such status updates as protected activity. The law also prohibits the introduction of a party's or witness's immigration status as evidence in civil court proceedings, subject to limited exceptions where immigration status is an essential element of a claim or is relevant to calculating future wage loss damages through a confidential process.
South Dakota	Defined gender terms	Effective July 1, 2026, South Dakota adopted new definitions of "male" and "female" that apply uniformly across the state's administrative rules, contracts, guidance documents, policies, practices, and statutes. The law defines "male" as an individual who naturally has, had, will have, or would have, but for a congenital anomaly or intentional or unintentional disruption, the reproductive system that produces, transports, and utilizes sperm for fertilization, and defines "female" in corresponding terms relating to the production, transport, and utilization of eggs for fertilization.
Tennessee	Payment of wages	Effective July 1, 2026, Tennessee employers must pay wages earned on a piecework or commission basis no later than the last day of the succeeding month. The same special deadline applies to final piecework and commission compensation following an employee's separation. For employees who are not paid on a piecework or commission basis, final earned wages generally must be paid by the next regular payday or within 21 days after separation, whichever is later.

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Tennessee	Non-compete agreements	Effective July 1, 2026, Tennessee employers may no longer request, require, or enforce noncompete agreements against workers earning less than $70,000 in annualized compensation. The statute also establishes rebuttable presumptions of reasonableness for time restrictions: a restraint of two years or less is presumed reasonable for former employees and independent contractors; a restraint of three years or less is presumed reasonable for current or former distributors, dealers, franchisees, lessees of real or personal property, or licensees of a trademark, trade dress, or service mark, and not associated with the sale of all or a material part of a business; and, for covenants tied to the sale of a business or equity interest, the presumptively reasonable period is the longer of five years or the period during which payments are made to the seller. The new restrictions generally apply to noncompete agreements entered into, amended, or renewed on or after July 1, 2026.
Virginia	Wage theft	Effective July 1, 2026, Virginia's wage payment law requires employers to retain paystubs or online payroll records provided to employees for at least three years following the date the underlying work was performed. The records must contain sufficient information to allow employees to determine how their gross and net pay were calculated.
Virginia	Overtime	Effective July 1, 2026, Virginia's overtime requirements expressly cover individuals employed by home care agencies or other third-party providers to provide direct support services, including personal-care services that assist participants with instrumental activities of daily living. Covered employees must receive at least one and one-half times their regular rate for hours worked over 40 in a workweek.
Virginia	Salary history	Effective July 1, 2026, Virginia employers may not seek a prospective employee's wage or salary history, rely on that history when considering the individual for employment, or use it to determine the individual's compensation upon hire. Employers also may not retaliate against an applicant or employee for declining to provide wage or salary history or for requesting a wage or salary range. If an applicant voluntarily discloses wage or salary history after receiving an initial compensation offer, the employer may rely on or confirm that information only to support a higher offer and only to the extent otherwise permitted by state and federal law.
Virginia	Job postings	Effective July 1, 2026, Virginia employers must disclose the wage, salary, or wage or salary range in each public and internal posting for a job, promotion, transfer, or other employment opportunity. Any range must be set in good faith by reference to an applicable pay scale, a previously determined range for the position, the actual range paid to employees in equivalent positions, or the amount budgeted for the position. An employer that receives written notice of a noncompliant posting has 15 business days to correct the posting at its original locations before a prospective employee may bring a private action based on the violation.

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Virginia	Volunteer emergency responder protections	Effective July 1, 2026, Virginia employers may not discharge, discipline, threaten, discriminate against, penalize, or otherwise retaliate against an employee who fails to report to work because the employee is serving as a covered volunteer emergency responder actively responding to an emergency alarm or a state of emergency. The employee generally must notify the employer at least one hour before the employee is scheduled to report to work and, upon returning, must provide an incident report and certification confirming the emergency service. The missed time may be unpaid, although the employee may use accrued sick leave or other available paid leave, and the protections do not apply to employees designated as essential by statute or contract.
Virginia	Non-compete agreements	Effective July 1, 2026, Virginia established several new protections against noncompete agreements. Employers may not enter into, enforce, or threaten to enforce a noncompete agreement with any "low-wage employee," defined generally as an employee whose average weekly earnings fall below the average weekly wage of the Commonwealth, or who is entitled to overtime compensation under the federal Fair Labor Standards Act for hours worked in excess of 40 in a workweek. Employers generally may not enter into, enforce or threaten to enforce noncompete agreements with healthcare professionals licensed, registered, or certified by specified Virginia health regulatory boards, subject to statutory exceptions. In addition, a noncompete agreement entered into, amended, or renewed on or after July 1, 2026, generally may not be enforced against an employee discharged without cause unless the employer provides severance benefits or another monetary payment disclosed when the agreement is executed. Employers who violate these provisions are subject to a civil penalty of $10,000 per violation, as well as other damages owed to the employee.
Washington	Fair Chance Act	Effective July 1, 2026, Washington employers with 15 or more employees became subject to significant amendments to the Washington Fair Chance Act (WFCA); employers with fewer than 15 employees must comply by January 1, 2027. The amendments substantially expand protections for applicants and employees by restricting when employers may obtain and act on criminal history information, requiring additional procedures before adverse employment action, and strengthening penalties for noncompliance. The Washington Attorney General has posted an updated Fair Chance Act Guide for Employers and Job Applicants reflecting these requirements, which employers must provide to applicants who voluntarily disclose criminal history without being asked, or when an employer requires a background check after a conditional offer of employment.
Washington, D.C.	Minimum wage	Effective July 1, 2026, the District of Columbia's minimum wage increased from $17.95 to $18.40 per hour for all employers.

Please note that the above is a non-exhaustive summary of recent employment law developments. For questions or assistance with employment law compliance in 2026, or to ensure you are informed about the latest updates, please contact your Polsinelli attorney.