

Labor & Employment Law Roundup: 2025 in Review and 2026 Outlook, Part 2 of 2

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As we began covering in our first [labor and employment law roundup](#), changes at the federal level require employers to constantly keep up to date with enforcement trends. The state level is no different. Many states, such as New York, have pushed forward with policy agendas much different from the federal government's, requiring employers to remain knowledgeable about dual (and often competing) legislative and enforcement agendas between state and federal law.

Here we cover what employers should look out for at the state level in New York and beyond.

States (Including New York) Continue Expansion of Leave Laws

As we covered in our [2025 outlook](#) article last January, New York stood out for its innovations in prenatal and pregnancy-related leave, becoming the first state to guarantee paid time off (20 hours per year) specifically for prenatal care.

Leave expansion makes the list again this year. While other states have not followed New York's lead regarding prenatal leave, a number of other states implemented expanded paid leave laws. Some additional examples include:

- On February 22, 2026, New York City will implement amendments to the city ordinance relating to paid sick leave, expanding the circumstances under which employees can use leave benefits. The amendments also require employers to grant 32 hours per year of unpaid sick leave in addition to the required paid safe and sick leave.
- In [Colorado](#), on January 1, 2026, amendments to the state's paid leave scheme will become effective, requiring employers to provide an additional 12 weeks of leave to parents whose newborns are placed in neonatal intensive care. The law allows parents to then take their 12 weeks of parental leave after their newborn is discharged.
- In Illinois, on June 1, 2026, the state's Neonatal Intensive Care Leave Act will become effective, requiring employers to provide 10 days of unpaid, job-protected leave for parents whose newborns are hospitalized in the neonatal intensive care unit.

Other New York Laws Taking Effect In (or Around) the New Year

In addition to New York City's leave law amendments, New York employers will see a number of new laws take effect in the new year. The new laws include:

- [Trapped at Work Act](#): On December 19, 2025, Governor Kathy Hochul signed the Trapped at

Work Act, effective immediately upon signing. The Act prohibits employers from requiring their employees to enter into an “employment promissory note” as a condition of employment. An employment promissory note requires the employee to pay the employer a sum of money should the worker leave employment before a predetermined period has passed. While the Act does not grant employees a private right of action for violations, it does give the New York Department of Labor the authority to administer civil penalties up to \$5,000 for each violation.

- New York Fair Credit Reporting Act amendments: Following New York City’s lead, New York State implemented amendments to the state’s Fair Credit Reporting Act, restricting the use of an employee’s consumer credit history in employment decisions. The law prohibits an employer from requesting, using, or otherwise discriminating against an employee based on their consumer credit history. As with New York City’s analogous statute, the Act contains a number of carve-outs. The amendments to the Fair Credit Reporting Act became effective on December 19, 2025, upon Governor Hochul’s signing.
- State minimum wage increases: New York City, Long Island, and Westchester County have [increased minimum hourly wages](#) from \$16.50 to \$17, while the rest of the state increased minimum hourly wages from \$15.50 to \$16.
- New York Secure Choice Program: Beginning in March 2026, New York will start implementing the New York Secure Choice Program. Established in 2021, the state-run retirement program mandates and facilitates the creation of Roth IRAs for private-sector employees. Pursuant to the Program’s enacting law, employers will be required to register or certify their exemption from the Program. Deadlines vary based on employer size. New York employers should be aware of their respective deadline.

New York City: New Mayor, New Proposals

On January 1, 2026, New York City swore in a new mayor: Mayor Zohran Mamdani. Mayor Mamdani ran on a platform that included significantly expanding worker protections. With a new brand of city leadership in place, employers can expect to see changes in workplace regulations. The new mayor’s workers’ rights platform includes proposals such as:

- Increasing the minimum wage in the city to \$30/hour by 2030;
- Banning non-compete agreements for workers in New York City;
- Instituting universal childcare for all New Yorkers, which may reduce work absenteeism and increase general participation in the workforce; and
- Expanding protections for gig economy workers, possibly requiring new compliance measures and cost obligations for employers utilizing the gig economy.

As of now, these all remain proposals, and New York City employers should stay vigilant for future changes in the law.

Mayor Mamdani has also tapped Christine Clarke to lead the New York City Commission on Human Rights, the body that investigates violations of and enforces the New York City Human Rights Law, which contains provisions regarding discrimination, harassment, and retaliation in the workplace. Ms. Clarke previously served as the chief of litigation and advocacy at Legal Services NYC, which provides free legal assistance to low-income New Yorkers.

During the announcement of Ms. Clarke's appointment, Mayor Mamdani and Ms. Clarke acknowledged the Commission's recent history of delays in discrimination cases and vowed to speed up the agency's output.

Conclusion

As we mentioned in our first roundup, legislative and policy changes in the labor and employment landscape require employers to be adaptive. If you have any questions about aligning your policies with New York's (or any other state's) legal requirements, contact any member of Kelley Drye's labor and employment team.