

End of NY Legislative Session Leaves Employers Watching Key Workplace Bills

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New York's two-year 2025-2026 legislative session hit its midpoint in June, with lawmakers wrapping up the first year by passing a slew of workplace-related bills that now await action from Governor Hochul. As federal labor and employment policy faces uncertainty and shifting priorities, state-level activity is intensifying across the country as lawmakers perceive insufficient federal enforcement or rollbacks in worker protections – and New York is no exception. Here's a summary of key bills and what employers need to know.

Notable Bills Passed by Both Houses

These bills have cleared both Senate and Assembly and are headed to the Governor's desk. If signed, they will impose new compliance obligations on employers, many of which warrant immediate attention.

Extended Anti-Discrimination and Retaliation Protections

- Ban on Credit History in Employment Decisions (<u>S3072/A1316</u>): Employers would be barred from requesting or using a candidate's consumer credit history when making employment decisions. Exceptions apply for roles involving high-level security access, significant financial control, or where credit checks are otherwise required by law, among other carveouts. The proposal mirrors New York City's existing law and would extend these protections statewide.
- **Disparate Impact Liability Codified (<u>S8338/A8699</u>):** This bill would explicitly adopt the "disparate impact" standard as a method of establishing unlawful discrimination under the New York State Human Rights Law (NYSHRL), allowing plaintiffs to challenge facially neutral employment practices that disproportionately affect protected groups, regardless discriminatory intent. The law responds to the <u>Trump administration's efforts to restrict this legal theory</u>.
- Reasonable Accommodation Anti-Retaliation Act (<u>S3398/A4898</u>): Employers would be
 prohibited from retaliating against employees who request reasonable accommodations under
 the NYSHRL a clarification that clarifies and strengthens existing protections.

Wages and Hour, Leave, and Labor Protections

- Liberal Interpretation of Labor Law (<u>S7388/A7863</u>): New York courts would be required to interpret the New York Labor Law (NYLL), including its wage and hour protections, broadly in favor of workers, regardless of how similar provisions are construed under federal laws like the FLSA. The legislature enacted the statute as a responsive measure to federal courts moving towards a more restrictive interpretation of the FLSA.
- "Trapped at Work" Act (<u>S4070B/A584C</u>): Employers would no longer be allowed to require
 workers to repay training costs or other penalties if they leave their job within a set time period.
 The law targets abusive training reimbursement clauses that effectively lock low-wage workers
 into jobs. Legitimate repayment agreements such as for wage advances would still be
 permitted.
- Paid Family Leave Access for Construction Workers (<u>S50/A4727</u>): The bill would expand Paid Family Leave eligibility for union construction workers who often work for multiple short-term employers. Employees in New York are eligible for <u>Paid Family Leave</u> benefits after working for an employer for 26 consecutive weeks. Unionized construction workers often work for multiple employers for short periods of time, never reaching the 26-week eligibility threshold with one employer. Workers covered by a CBA would qualify for PFL benefits if they worked for any CBA signatory employer at least 26 of the prior 39 weeks.
- State Labor Relations Protections (<u>S8034A/A8590</u>): With the National Labor Relations Board (NLRB) temporarily hobbled by vacancies, this bill would empower New York to fill the gap, ensuring continued enforcement of labor rights in the private sector at the state level. <u>Read more about the bill here</u>.

Workplace Safety and Violence Prevention

- Opioid Antagonists in First-Aid Kits (<u>S5922/A2725</u>): Employers required by federal law to maintain first-aid kits would also need to include opioid antagonists, such as naloxone, to address overdose emergencies.
- **Hospital Workplace Violence Prevention (S5294/A203A):** Hospitals would be required to create workplace violence prevention programs, including formal risk assessments and mitigation plans.
- Recovery Ready Workplace Act (S3740/A521): A voluntary certification program would
 encourage employers to become "recovery ready" by supporting employees recovering from
 substance use disorders through training, resources, and supportive policies.

Other Notable Bills

RAISE Act (S6953B/A6453): New York is poised to enact a first-of-its-kind AI safety law. The
Responsible AI Safety and Education (RAISE) Act would set standards for training and deploying
advanced AI models, requiring safety reports and transparency to limit critical harm. Read more
about the RAISE Act here.

Senate-Passed Bills to Watch in 2026

The second half of the legislative session resumes in January 2026. Several significant employment bills passed the Senate this year and could move forward next session.

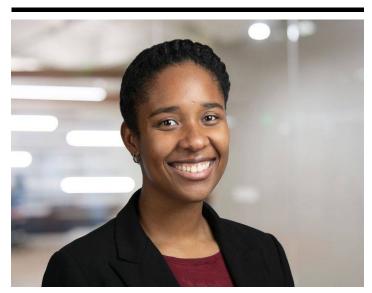
- Non-Compete Ban (<u>S4641A</u>): Reviving a measure vetoed in 2023, the Senate approved a ban on most non-competes for employees earning under \$500,000 annually. Non-competes related to the sale of a business would remain valid. Given how close the ban came in 2023, employers should monitor this closely.
- **No Severance Ultimatums Act (S372A/A6480):** Mirroring federal requirements for workers age 40 and over, this bill would require employers to give all employees at least 21 days to review severance agreements, notify them of their right to counsel, and allow seven days to revoke after signing.
- Anti-Waiver of Rights (<u>S4424A/A5411</u>): Contracts limiting employees' rights under the NYSHRL or New York Labor Law, for example, a shortened statute of limitations, would be invalid.
- NDAs and Law Enforcement (<u>S496/A618</u>): Employers would be required to inform workers that NDAs and non-disparagement clauses do not prevent them from speaking with law enforcement, civil rights agencies like the EEOC, or their attorney.
- Limits on Reducing Jury Awards (<u>S410/A1182</u>): Courts would face stricter limits on reducing
 jury awards in discrimination cases unless there is compelling evidence of jury misconduct or
 bias.
- Labor Law Enforcement Parity Act (<u>S4473/A5000</u>): This bill would clarify that liquidated and statutory damages under the stage wage and hour laws are compensatory, not penal, and are therefore recoverable on a class-wide basis in state court actions.
- Ban on Asking for Age-Related Info (<u>S2271/A1037</u>): Employers would be prohibited from requesting an applicant's age, date of birth, or graduation year in the early stages of the hiring process, absent a bona fide occupational qualification.
- Lower Standard for Proving Discrimination(<u>S2447/A4992</u>): Employees would only need to show that discrimination or retaliation was a "motivating factor," rather than the sole or "but-for" cause, to win a claim.
- **Extended Statute of Limitations (S1142/A188):** This bill would extend the statute of limitations for workplace discrimination claims to six years.
- Expanded Short-Term Disability (<u>S172/A84</u>): This bill would boost short-term disability benefits over time to match Paid Family Leave levels and add six weeks of PFL leave following a stillbirth.
- **Mental Health Resources (<u>S381</u>):** Employers would be required to provide employees with information about available mental health resources.

Conclusion

New York continues to assert itself as a national leader in expanding workplace protections, with lawmakers advancing legislation that often goes well beyond federal requirements. Employers should anticipate this trend to continue and prepare accordingly. With more developments likely in 2026, now is the time to assess compliance strategies, update policies, and stay engaged.

We will continue to monitor developments on these bills, so make sure you are subscribed to <u>Fisher Phillips' Insight System</u> to get the most up-to-date information directly to your inbox. If you have questions, contact your Fisher Phillips attorney, the authors of this Insight, or any attorney in our <u>New York City office</u>.

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