

FP's Compliance Gift Guide for Retail Employers: 5 Workplace Law Essentials for the 2025 Holiday Season

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For retail employers, the holiday shopping season means more shoppers, more shifts, and more workplace law challenges to keep up with. Consider this your guide to 2025's key compliance must-haves – from classics that return year after year to the newest arrivals and hottest trends this season, here's what should be at the top of your list.

1. Overtime Pay Requirements

The holiday rush brings long hours and heightened demands on your employees, and this increased activity calls for more attention on the overtime rules under the Fair Labor Standards Act (FLSA) and state laws. Even temporary or seasonal workers are generally entitled to OT pay if they work more than 40 hours in a workweek.

This year, seasonal hiring in the retail industry could hit a low point not seen since the "recession-hit season of 2009," according to a recent <u>report</u> by Challenger, Gray & Christmas. Retail employers that hire fewer seasonal workers but stretch their regular teams to make up for it could see more employees qualifying for overtime pay.

Missteps here can lead to significant penalties, so make sure managers understand these rules and track hours accurately. Work with counsel to ensure compliance, including on other tried-and-true holiday season compliance areas related to wage-and-hour rules, such as child labor laws and contractor misclassification issues.

2. Predictive Scheduling and "Fair Workweek" Laws

During high-volume shopping weekends and extended hours, retail employers need scheduling flexibility more than ever. This is especially true in a year when many retail employers are asking fewer workers to cover to more shifts, rather than onboarding a fleet of seasonal employees.

But some state and local laws require retailers to give employees advance notice of their schedules and to pay additional compensation for last-minute scheduling changes. Some locations also have penalties for violating an employee's "right to rest" by scheduling them on back-to-back shifts.

While Oregon remains the only location with a statewide "predictive scheduling" law, these types of laws are gaining traction across the country and are now in various cities, including Berkeley (CA), Chicago, Emeryville (CA), Los Angeles, New York City, Philadelphia, San Francisco, and Seattle – and Los Angeles County just joined this growing list with its Fair Workweek Ordinance that took effect in July.

If you operate in locations with scheduling rules, you should consult with counsel to ensure you are complying with the various components of these complex laws and determine whether any exceptions might be available.

You should also keep in mind other legal requirements that may impact your holiday scheduling needs, such as state-specific holiday, premium, or "reporting time" pay requirements, the growing list of state and local paid sick leave laws (which could potentially apply to seasonal workers in some places), or federal protections regarding religious accommodations.

3. Employee Authorizations and Immigration Enforcement

Employers are required to verify that new hires are authorized to work in the US, and compliance here is critical now more than ever given the Trump administration's immigration enforcement policies. Skipping proper employment authorizations can land you in serious trouble, including costly audits or penalties, and knowingly hiring unauthorized workers can result in even higher penalties and possibly jail time.

The federal E-Verify system offers a quick way to accomplish employee authorizations, but there are some issues you should note when deciding whether it's right for your organization. <u>Consider these pros and cons</u> before you incorporate it into your hiring process.

Ensure your relevant hiring teams are fully trained in completing I-9 forms correctly and consistently. You should also take other steps to minimize the chances that you'll face an immigration audit or raid, and be prepared if immigration officials arrive at your workplace. Learn how in our <u>Employer's Playbook for ICE Audits and Workplace Raids</u>.

4. Workplace Violence Prevention

Workplace fatalities due to violent acts in the most recent reporting year were highest among retail and hospitality workers, according to government data for 2023 – and violent acts accounted for 40% of all workplace fatalities in the retail industry. The holiday shopping season can further increase workplace violence risks for retailers due to larger crowds, higher stress levels, special sales events, extended operating hours, and increased rates of retail theft.

Federal OSHA has long taken the position that the Occupational Safety and Health (OSH) Act's general duty clause requires employers to take reasonable steps to prevent or abate recognized

workplace violence hazards. In addition, some states now require employers to implement detailed workplace violence prevention plans and other specific safety precautions. For example:

- California <u>requires virtually all employers</u> to develop and implement workplace violence prevention plans.
- New York's Retail Worker Safety Act, which just rolled out in June (along with a <u>new model policy and training materials</u> from the state's Department of Labor), requires retail employers with at least 10 employees at a NY location to develop a workplace violence prevention policy and conduct training for employees. (Plus, larger retailers will be required to provide employees with silent response buttons starting in 2027.)
- <u>Updates</u> to **Washington** state's standards for isolated employees, which apply to certain retailers, will take effect Jan. 1 and add training, recordkeeping, and functional requirements related to panic buttons, among other changes.

You can find additional workplace violence prevention resources at our FP links below:

☐ Retail Workers Faced Record-High Fatalities in 2023, Spurred By Workplace Violence: 10 Steps
You Can Take to Address Workplace Dangers

☐ FP's Workplace Violence Prevention Awareness Kit for Employers

☐ <u>Safeguarding Your Corporate Leaders Against Rising Security Threats: FP's Guide on Executive Protection</u>

5. Pay Transparency

Pay transparency laws have been on the rise in recent years and remain one of the hottest topics as we close out 2025.

- <u>Colorado</u> was the first state to enact a pay transparency law in 2021 (and saw an <u>enforcement uptick</u> this year regarding online job posting rules) and other states rapidly followed suit, including <u>California</u> (which will see <u>significant changes</u> take effect Jan. 1),
 Connecticut, <u>Hawaii</u>, <u>Illinois</u>, <u>Maryland</u>, <u>Minnesota</u>, Nevada, <u>New York</u>, Rhode Island, <u>Washington</u>, and <u>Washington</u>, <u>DC</u>.
- Most recently, <u>New Jersey</u>, <u>Massachusetts</u>, and <u>Vermont</u> joined the trend.
- Some cities have their own requirements, including New York City, Ithaca, and Westchester County, New York; Jersey City, New Jersey; and Cincinnati, <u>Cleveland</u> (which just kicked in last month), <u>Columbus</u>, and Toledo, Ohio just to name a few.

These laws impose a wide range of obligations and often require employers to disclose salary ranges in job listings (or for promotional opportunities) and prohibit asking applicants questions related to salary history.

If you'll be hiring additional help this holiday season or elevating any current employees, pay transparency compliance will be in the spotlight. This is especially true when a high volume of applicants may be comparing multiple job postings. In fact, job searches for seasonal work (across all industries) jumped 27% as of Sept. 30 when compared to the same period last year (and up 50% compared to that period in 2023), according to a recent <u>report</u> from Indeed. The report notes that retail jobs accounted for 63% of seasonal jobs as of Sept. 30, with retail sales associates, cashiers, stockers, and beauty advisors among the top job titles.

If your business is subject to a pay transparency law (or a patchwork of them), review your hiring policies, interview practices, job applications, and employment postings to ensure they are compliant. Check out our <u>Pay Equity and Transparency Map</u> to learn more.

Conclusion

The holiday season is a whirlwind for retailers in all kinds of ways, but workplace law compliance must remain a top priority. Make sure you are subscribed to <u>Fisher Phillips' Insight System</u> to get the most up-to-date information. For further information, contact your Fisher Phillips attorney, the authors of this Insight, or any attorney on our <u>Retail Industry team</u>.

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