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CALIFORNIA'S NEW WORKPLACE LAWS PUT AI AND EMPLOYEE MONITORING IN THE SPOTLIGHT: YOUR FULL GUIDE TO 11 BILLS JUST SIGNED (AND 1 VETOED)

Insights
Oct 1, 2026

California's New Workplace Laws Put AI and Employee Monitoring in the Spotlight: Your Full Guide to 11 Bills Just Signed (and 1 Vetoed)

California will soon require a human to sign off before AI can be the main basis for firing someone, force employers to disclose when AI drives a mass layoff, ban AI tools that read employees' emotions, and let workers leave tracking devices behind when they use the bathroom. These are among 11 new bills signed by Governor Gavin Newsom over the last few days that will require employers to reshape their workplace policies and practices. The Governor also signed laws raising pay data reporting penalties, setting a new agricultural minimum wage, delaying the state's stay-or-pay ban, expanding bereavement leave, adding a hate speech component to harassment training, and giving Cal/OSHA new enforcement teeth. On the flip side, he vetoed a bill that would have added menopause protections to state anti-discrimination law. Most of the new laws take effect January 1, 2027, so you have about three months to get ready. Here's a quick summary of each one with links to our full Insights for a deeper dive – and practical steps you can take to ensure full compliance.

Listen in: Want to hear more about these new laws? The head of our California Government Relations team, [Ben Ebbink](#), will break them all down on a special episode of *The FP5: Five Things for Your 9-to-5*

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AI in the Workplace

Humans must sign off before AI disciplines or fires workers (SB 947). California will be the first state to require a person to independently confirm the call before an employer "primarily relies" on an AI tool to discipline or terminate an existing employee. Governor Newsom signed the so-called "No Robo Bosses Act" after vetoing a broader version last year. You will need a human reviewer to corroborate the tool's output using supervisory evaluations, personnel files, work product, or similar evidence, and you will have to hand the employee a standalone written notice at the moment you deliver the decision. Employees can also request a description of their own data the system used over the past 12 months. The law applies only to current employees (not applicants), carries a \$500 penalty per violation, and takes effect July 1, 2027. [Click here to read the full Insight.](#)

WARN notices must disclose when AI causes a mass layoff (SB 951). Starting January 1, 2027, any mass layoff, relocation, or termination caused "in whole or in substantial part" by AI or other automation will require four new disclosures in your California WARN Act notice. These include the statement "This notice is for a technology displacement" at the top of the notice, the number and type of affected positions, the job functions being automated, and the category of technology responsible. And because the state will publish a quarterly summary of technology displacements, your information could draw attention from the public, unions, and plaintiffs' attorneys. [Click here to read the full Insight.](#)

AI tools can't read employees' emotions or nervous system data (AB 1883). Employers will be barred from using AI-powered workplace surveillance tools to recognize or predict an employee's emotional state or to collect "neural data" from an employee's nervous system. That likely reaches sentiment and mood features in contact center, collaboration, and HR analytics platforms (including tools that analyze emails and chats), as well as EEG headbands and neurotech earbuds that track focus or fatigue. There is an exception for tools used to ensure safety, though how broadly it applies remains an open question. Violations carry

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penalties of up to \$500 each, and while the final bill dropped an express private right of action, expect plaintiffs' attorneys to test the law through PAGA claims. The ban takes effect January 1, 2027. [Click here to read the full Insight.](#)

Workplace Surveillance and Privacy

Relief from some website tracking lawsuits (SB 690).

Here's some welcome news for any business with a website or app. Over the past few years, plaintiffs' lawyers have filed thousands of demand letters and lawsuits arguing that ordinary cookies, pixels, and analytics tools violate the California Invasion of Privacy Act (CIPA), a 1967 wiretapping law, with statutory damages of at least \$5,000 per violation. SB 690 eliminates private lawsuits over website and app-based "pen register" and "trap-and-trace" claims starting January 1, 2027, leaving enforcement to the Attorney General. It also applies retroactively to pending claims filed within the prior two years. But the law doesn't touch the CIPA wiretapping claims behind much of the current litigation, and plaintiffs are expected to challenge the retroactivity provision. If you have a pending claim or demand letter, talk to your FP counsel about how the new law affects your matter. [Click here to read the full Insight.](#)

Employees can leave tracking tools behind when using the bathroom (AB 1331). Starting January 1, 2027, you can't use a workplace surveillance tool to monitor employees in a workplace bathroom unless a court orders it. That sounds simple, but the law defines "surveillance tool" broadly enough to reach access badges, wearables, geolocation on company phones, and time-tracking software that logs idle time. Employees can also set down any such tool before entering a bathroom, and you can't discipline them for it. There are limited exceptions for employees who must stay available during breaks, for a one-time badge swipe to enter or exit, and for ID or safety devices you require employees to carry (but only if the device doesn't record audio or video and has no embedded AI). What you can't do is use restroom access data to track how often or how long someone is in there. Violations carry penalties of up to \$500 each, and expect plaintiffs' attorneys to test whether PAGA claims are available. [Click here to read the full Insight.](#)

Pay and Compensation

Pay data reporting penalties jump fivefold for repeat failures (SB 1237). California employers with 100 or more

employees (or 100 or more workers hired through labor contractors) must file an annual pay data report with the Civil Rights Department. Under SB 1237, the maximum penalty for a subsequent failure to file rises from \$200 to \$1,000 per employee, while the cap for a first violation stays at \$100 per employee. That means an employer with 1,000 reportable employees could face up to \$1 million for a second missed filing. Because a law that took effect this year already made these penalties mandatory once the agency asks a court to impose them, there's little room for excuses like a technical glitch or a misread deadline. The next report is due May 12, 2027, the first cycle where the higher penalty could apply, so now is the time to confirm coverage, lock in data from labor contractors, and cure any past non-filing. [Click here to read the full Insight.](#)

New agricultural minimum wage nears \$20 per hour (AB 2646). Starting January 1, 2027, agricultural employers will need to pay \$19.75 per hour to H-2A guestworkers and to "corresponding employees," with annual cost-of-living adjustments beginning in 2028. That's well above the statewide minimum wage, which will be \$17.40 in 2027. The higher rate will also drive up meal and rest period premiums, reporting time pay, split shift premiums, and waiting time penalties. [Click here to read the full Insight.](#)

More time to prepare for the stay-or-pay ban (AB 1697). Last year's AB 692 barred employers from requiring workers to repay training costs or pay other fees if they leave their job, with exceptions for certain tuition repayment and sign-on bonus arrangements. That ban was set to apply to contracts entered on or after January 1, 2026, but AB 1697 pushes the start date to January 1, 2027, and makes the law inoperative for all of 2026, which shields employers from liability for agreements signed this year. The new law also adds exceptions for grant-funded recruitment and retention programs, repayment of advance PTO when an employee voluntarily separates, and certain affiliation contracts for broker-dealers, insurance producers, and investment advisers. Use the extra time to fine-tune your tuition reimbursement and retention bonus agreements, but don't amend or revoke your existing agreements. [Click here to read the full Insight.](#)

Leave, Training, and Workplace Safety

Bereavement leave expands to extended and chosen family (SB 1149). California's bereavement leave law

currently covers only the death of a spouse, child, parent, sibling, grandparent, grandchild, domestic partner, or parent-in-law. Starting January 1, 2027, employees can also take bereavement leave for the death of a “designated person,” meaning anyone related to them by blood or whose association with them is the equivalent of a family relationship. That covers aunts, uncles, and cousins, as well as close friends with family-like bonds. [Click here to read the full Insight.](#)

Harassment prevention training must cover hate speech (AB 1803). California employers with five or more employees will need to add an anti-hate speech component to their required sexual harassment prevention training beginning January 1, 2028. The training must give supervisors and employees practical guidance on recognizing, reporting, and confronting workplace speech that vilifies, humiliates, or incites hatred against people based on protected characteristics. The good news is that the law doesn’t require a separate program or add to the required training time. If your current training already addresses prohibited harassment and abusive conduct based on protected characteristics, it will satisfy the new requirement. Review your content and talk to your training vendors now so you’re ready well before the deadline. [Click here to read the full Insight.](#)

Cal/OSHA gets more enforcement power, and interference becomes a crime (AB 2321). Starting January 1, 2027, Cal/OSHA’s Bureau of Investigations (BOI) will have to promptly investigate a wider range of workplace incidents, including serious illnesses and exposures (not just injuries), as well as any serious incident tied to a willful violation citation. The BOI will also need to notify prosecutors immediately when it learns of certain serious incidents, rather than waiting until its investigation is done. Most significantly, it will become a misdemeanor, punishable by up to six months in county jail plus a fine, to willfully resist or interfere with Cal/OSHA in the performance of its duties. Now is the time to build an inspection response plan and train leaders to recognize that a serious incident could trigger civil and criminal investigations at the same time. [Click here to read the full Insight.](#)

What Didn’t Make It: Menopause Protections Vetoed

Governor vetoes menopause bill (AB 1940). Not every workplace bill crossed the finish line. Somewhat

surprisingly, Governor Newsom [vetoed AB 1940](#), which would have expanded the definition of "sex" under the Fair Employment and Housing Act (FEHA) to explicitly include perimenopause, menopause, postmenopause, and related medical conditions. The Governor's veto message explained that existing law covers these conditions and that the bill could have unintentionally led to an explosion of litigation. Expect California lawmakers to try again next year with a new Governor in office.

Don't miss the special podcast episode! [Ben Ebbink](#) joins *The FP5: Five Things for Your 9-to-5* podcast on Thursday, October 8, to walk through these new laws and what they mean for your business. Subscribe now on [Apple Podcasts](#), [Spotify](#), or [Amazon Music](#) to get the episode as soon as it drops.

Conclusion

We will continue to monitor developments related to these new laws and provide updates as warranted, so make sure you are subscribed to [Fisher Phillips' Insight System](#) to get the most up-to-date information directly to your inbox. If you have questions, contact your Fisher Phillips attorney, the author of this Insight, or any attorney in our [California offices](#).