

WEBINAR SERIES

# Northeast Compliance Update

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# Today's Presenters



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# Today's Agenda

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- Federal Employment Law Updates
- Caselaw Updates
- State Law Updates
- Employment Law Trends and Hot Topics for 2025

## Webinar Forum

*All participants are muted.*

*Please type questions in the side navigation panel and we will try to address most questions during today's session.*

*Today's presentation will be posted online at [prestigepeo.com/webinars](https://prestigepeo.com/webinars)*

A woman with glasses and a man in a sweater are looking at a document together in an office setting. The image is overlaid with a teal and orange geometric design.

# Federal Employment Law Updates

# US DOL Overtime Rule Update- Recap

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- New rule was proposed on August 30, 2023.
- Set the minimum salary threshold for overtime exemptions under the FLSA to move \$35,568 (or \$684/week) to \$55,068 (\$1,059/week) and increase the threshold for highly compensated individuals from \$107,432 per year to \$143,988 per year.
- Rule had mechanism to periodically increase the salary threshold going forward.

# US DOL Overtime Rule Update- New Rule Vacated

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- In November 2024, a federal court vacated the rule- holding the DOL exceed its statutory authority.
- The federal minimum salary threshold for exempt employees reverted to \$684 per week (\$35,568 annually).
- Takeaways:
  - July 2024 increase has been vacated.
  - January 202 increase did not go into effect.

# NLRB Joint Employer Rule

- NLRB issued a new joint employer rule with an effective date of December 26, 2023.
- Rule sought to enforce that an entity may be considered a joint employer of a group of employees if each entity has an employment relationship with the employees and they share or codetermine one or more of the employees' essential terms and conditions of employment,
- Terms and Conditions of Employment:
  - (1) wages, benefits, and other compensation;
  - (2) hours of work and scheduling;
  - (3) the assignment of duties to be performed;
  - (4) the supervision of the performance of duties;
  - (5) work rules and directions governing the manner, means, and methods of the performance of duties and the grounds for discipline;
  - (6) the tenure of employment, including hiring and discharge; and
  - (7) working conditions related to the safety and health of employees.





# NLRB Joint Employer Rule- Vacated

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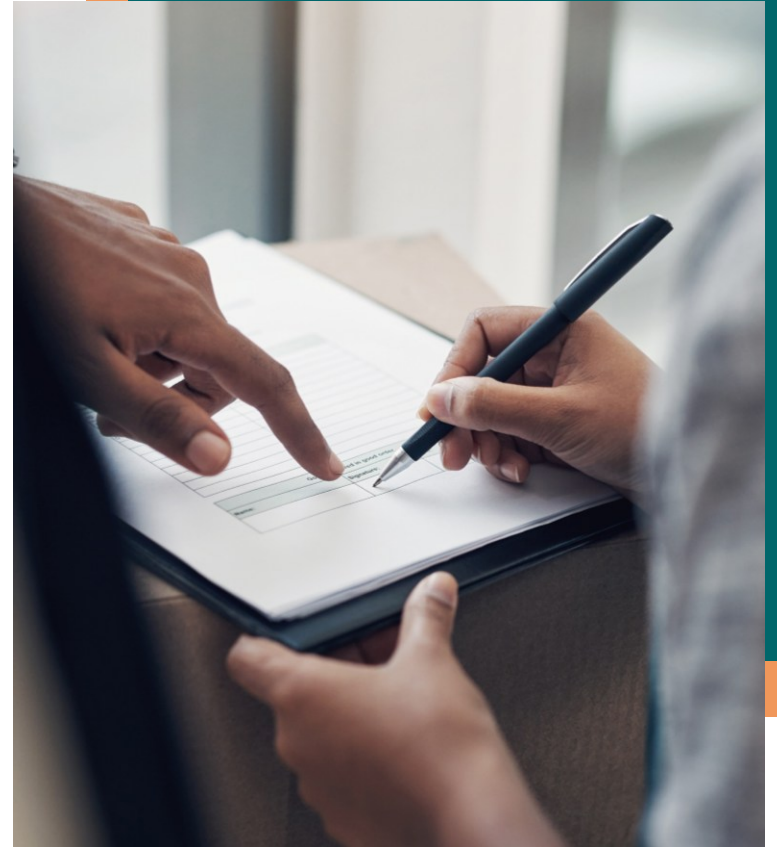
- NLRB's rule was vacated by a federal court in March 2024.
- Returned the joint employer rule to the 2020 rule, which required that entities only be considered joint employers if they possess and actually exercise “substantial direct and immediate control over one or more of the essential terms and conditions of employment.



# FTC Non-Compete Ban- Overturned

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- FTC had introduced a ban on non-compete agreements that was set to go into effect in September 2024.
- In August 2024, a district court set aside the FTC ban, so it did not go into effect. Other district court weighed in as well.
- However, the FTC did appeal and those appeals will be heard likely this year.



# Caselaw Update

# Muldrow v. City of St. Louis

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## Case Synopsis

- Issue was whether Title VII prohibits job transfers that don't cause "significant disadvantage" to workers can be considered discrimination in violation of Title VII.
  - Does Title VII require a showing of harm to the employee for a discrimination claim to prevail?
- Supreme court ruled in June 2024 that Title VII of the Civil Rights Act of 1964 protects against discriminatory job transfers even where the transfer does not result in a significant disadvantage.



# Stanley v. City of Sanford

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- Facts: Stanley, a former firefighter, retired in 2018 due to a disability. When she was hired, employees retiring due to disabilities received free health insurance until age 65. The city she had worked for changed the policy in 2023 to only cover 24 months of post-retirement health insurance. She sued and the district and appellate courts found in favor of the defendants that she had to still hold an employment position at the time of the alleged wrongful employment act.
- Issue: Does a former employee- who was qualified to do her job and who earned post-employment benefits while employed- lose her right to sue over ADA discrimination with respect to those benefits solely because she no longer holds her job?
- Supreme Court heard oral arguments on January 7, 2025, for this case.

# E.M.D. Sales Inc. v. Carrera

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- Facts: Three individuals who worked as sales representatives for a distributor of food products to grocery stores sued their employer under the Fair Labor Standards Act (FLSA) for denying them overtime wages. They were paid on commission without overtime compensation and alleged to have been working about 60 hours a week. Some of their duties included restocking shelves, managing inventory, and ordering new products. Distributor had claimed the individuals were “outside sales” representatives and therefore qualified for the outside sales exemption.
- Issue: Does the burden of proof the employer have to satisfy to meet the exemption turn on a mere preponderance of the evidence or clear and convincing evidence?
- Supreme Court heard oral arguments on November 5, 2024, for this case.

# Ames v. Ohio Department of Youth Services

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- Facts: Complicated set of facts, but in a nutshell, Ames, a heterosexual woman was promoted to a position in 2014, she then had a new supervisor in 2017 who was gay. Ames received a position performance evaluation in 2018 and in 2019 she applied for a Bureau Chief position. A month later, she was demoted from her position and a gay man received her position a short time later. Further, the Bureau Chief position she had applied for went to a gay man. Ames sued based on sexual orientation and sex discrimination. The lower courts did not rule in Ames' favor.
- Issue: Does a plaintiff who belongs to a majority group have to show “background circumstances suggesting that the defendant is the unusual employer who discriminates against the majority” to establish a prima facie case of discrimination?
- Supreme Court will hear oral arguments for this case in February 2025.

# State Law Updates



# New York Salary Threshold Changes

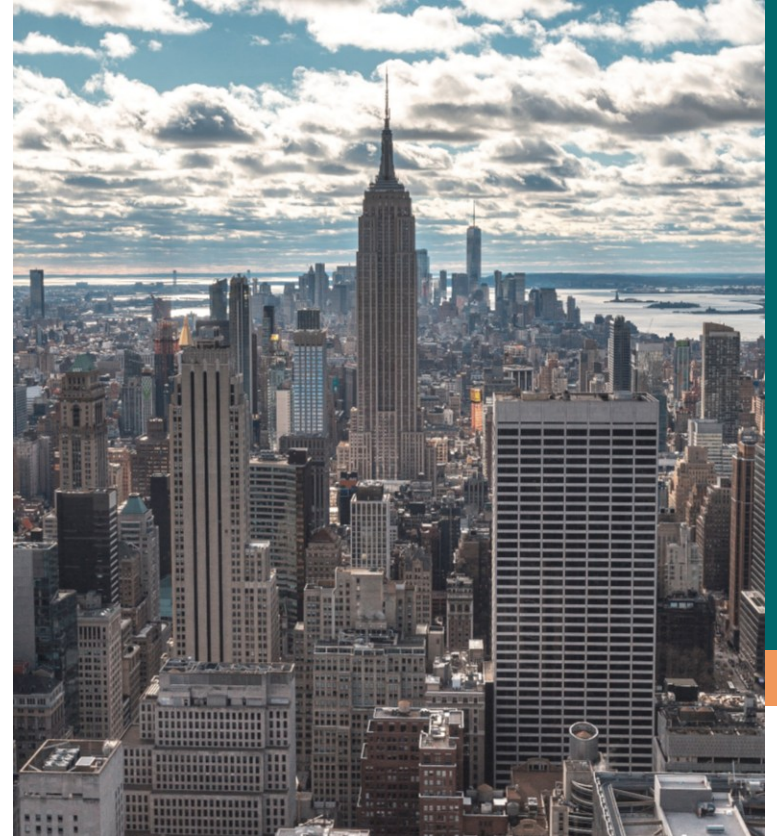
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## For New York City, Nassau, Suffolk, and Westchester counties:

- 2025 – \$1,237.50/week (\$64,350.00 per year)
- 2026 – \$1,275.00/week (\$66,300.00 per year)

## For the rest of New York:

- 2025 – \$1,161.65/week (\$60,405.80 per year)
- 2026 – \$1,199.10/week (\$62,353.20 per year)



# Minimum Wage Update

- Effective January 1, 2025:
  - \$16.50/hour for NYC, Long Island, and Westchester.
  - \$15.50/hour for the remainder of the state.
- Effective January 1, 2026:
  - \$17.00/hour for NYC, Long Island, and Westchester.
  - \$16.00/hour for the remainder of the state.



# State of Non-Competes in New York

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## Non-Compete Agreements:

- On December 22, 2023, New York State Governor Kathy Hochul vetoed the bill, previously passed by the state legislature on June 30, 2023, that would ban all new non-competition agreements for workers in New York.
- Bill was re-introduced in the 2024 legislative session, but did not gain traction.



# Article 6, New York Labor Law

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## **New York Labor Law - Article 6: Wage Theft and Pay Frequency**

- In March 2024, modifications were made to the salary threshold for wage protections under Article 6 of the New York Labor Law, expanding provisions to a larger group of employees now provided protections which allow for “wage theft” claims in court or before the New York Department of Labor.

Purpose of the modifications is to expand the provisions of Article 6, which include:

- Pay frequency.
- Obtain written consent to pay employees by direct deposit.
- Pay benefits or wage supplements within 30 days.

# Article 6, NYLL, continued

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## New York Labor Law - Article 6: Wage Theft and Pay Frequency, continued

### Key Updates

- Updated salary threshold went from \$900 to \$1,300.00 per week (\$67,600.00) in New York for administrative, executive and professional employees who are paid less frequency than semi-monthly.
  - This threshold is different from the overtime/salaried exemptions mentioned on the previous slide.
- Employers must obtain written consent to pay employees by direct deposit.
- Employers must pay benefits or wage supplements within 30 days.

# New York Paid Parental Leave

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## **New York has become the first state in the nation to enact paid prenatal leave for pregnant workers**

- As of **January 1, 2025**, private employers are now required to provide pregnant employees with an additional 20 hours of **paid** prenatal leave per calendar year, which is in addition to their existing sick leave.
- It is an amendment to the New York State Paid Sick Leave, providing additional benefits for pregnant workers.
- All private-sector employers are covered regardless of size.
- Employees can access this benefit starting at day 1 of employment and use the leave in hourly increments.
- Only the employee directly receiving the prenatal health care services can use this leave (no spouses, partners, or other support persons can use it).
- Law extends to fertility treatment or care appointments. It does not apply to post-natal or postpartum appointments.
- Employees do not have to provide supporting documentation of the need for the leave.

# New York Prenatal Leave Law, continued

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## **Qualifying reasons:**

- Health care services received during the pregnancy or related to the pregnancy,
  - including physical exams,
  - medical procedures,
  - monitoring and testing, and
  - discussions with health care providers related to the pregnancy.

## **Prenatal Leave Pay:**

- Must be paid at 100% of the employee's regular rate of pay.
- Unused leave pay is not owed upon termination of employment.

# Lactation Break Changes

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- Effective date: June 19, 2024
- Employers now required to provide PAID leave for purposes of expressing breast milk
- Requires an Employer to provide up to 30 minutes of paid lactation breaks each time an employee reasonably needs to express breast milk, for up to three years following childbirth. The new law further requires the permitted use of existing paid break time or mealtime for time needed for these purposes in excess of 30 minutes.
- Additional requirements include providing a private room or space for employees to express breast milk that has:
  - a chair,
  - a working surface,
  - access to clean running water,
  - an electrical outlet if the workplace has electricity, unless having these provides an undue hardship for the Employer.



# Freelance Isn't Free Law (FIFL)

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**On August 24, 2024 New York's Freelance Isn't Free Law took effect and is a direct descendant of New York City's Freelance Isn't Free Act, enacted in 2017.**

- New York City first introduced this breakthrough legislation in order to protect a freelance worker's rights to such things as a written contract for services over \$800, prompt and full payment, and protections from retaliation.
- Law defined a Freelance Worker as: any natural person or organization composed of not more than one natural person, hired as an Independent Contractor to provide services in exchange for money



# Freelance Isn't Free Law (FIFL), continued

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The new statewide FIFL expands upon the concepts enacted in the FIFA, providing protections across the entire state which include:

- Written contract for work valued at \$800 or more (either by itself or combined contracts with the same hiring party within 120 days)
- Timely payments – either when due under contract or within 30 days, if not specified
- Once the work has been initiated, no changes to the contracted amount
- Hiring party must retain a copy of the contract for at least 6 years

# Freelance Isn't Free Law (FIFL), continued

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Important to note that this new law provides additional protections to the freelance worker that include:

- **Protections from discrimination and retaliation:**

Prohibitions are specifically outlined against discrimination or from otherwise taking any action against a freelance worker that penalizes this worker for either attempting to exercise, or attempting to deter a worker from exercising their rights to be free from discrimination, or attempt to preclude the worker from getting future work by attempting to or actual exercising these rights

- **Remedies** for violations of the law include bring a private cause of action in court for statutory damages, double damages, injunctive relief, attorney's fees, and other "such remedies as may be appropriate." Civil penalties of up to \$25,000 . The New York Attorney General retains the authority to investigate and provide appropriate remedies as well.

# New York Retail Worker Safety Act

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- Effective March 3, 2025, the new law requires retail employers with to receive specific workplace violence training and, over time, require larger employers to install a “panic button” (or buttons) for their employees in the workplace.
- Some amendments have been proposed to this law and may be voted on this month:
  - Reducing frequency of training for employers with fewer than 50 employees
  - Move the effective date to June 2, 2025
  - Change to model templates to include other languages
  - Change the “panic button” to “retail worker requests for assistance.”
  - Move some of the compliance deadlines.

# New York Covid Paid Sick Leave

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- Some employers may be surprised to learn that NYS' Covid Paid Sick Leave is still in effect.
- New York State's Covid Paid Sick Leave officially ends **July 31, 2025**.
- Until then, some employers are still required to provide at least 5 or 14 days of job protected, paid Covid-19 sick leave if they are under mandatory or precautionary order of quarantine or isolation.
- Amount of Covid-19 sick leave is dependent on number of employees and employers' net annual income.

# New York State Equal Rights Amendment/Expansion

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- Effective January 1, 2025, the NYS Constitution will protect against discrimination based on: “race, color, ethnicity, national origin, age, disability, creed, religion, or sex, including sexual orientation, gender identity, gender expression, pregnancy, pregnancy outcomes, and reproductive healthcare and autonomy.”
- Why is this important? Many state protections were not codified in New York’s Constitution. Now they are, making it more difficult to change.
- Employers should review their policies and handbooks for compliance.

# Workers' Bill of Rights – New York City

কর্মক্ষেত্রে আপনার অধিকার সম্পর্কে জানুন  
Conozca sus derechos en el trabajo  
了解您的职场权利  
瞭解您的職場權利  
**Know your rights at work**  
Connaitre ses droits au travail  
Konn dwa w nan travay la  
귀하의 직장 권리 알기  
کام پر اپنے حقوق کو جانیں  
Poznaj swoje prawa pracownicze  
اعرف حقوقك في العمل  
Знайте свои трудовые права



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The “Know Your Rights at Work” notice was created by the New York City Department of Consumer and Workers Protection (DCWP)

Effective July 1, 2024, employers are required to provide a copy of the Worker’s Bill of Rights to existing employees and new hires

Employers must post the notice in a conspicuous area in the workplace

Covers employees, applicants, and independent contractors

Describes rights under federal, state, and local laws

Must be provided in the employee’s language

# New York Anti-Discrimination Law Updates

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- As of February 15, 2024, a new statute of limitations went into effect that extends the time for filing claims of unlawful discrimination from one year to three years and applies to all forms of discrimination under the State Human Rights law.
- This change brings the Anti-Discrimination statute of limitations in-line with the existing statute of limitations for sexual harassment claims in employment, which has been in effect since 2020.
- This change raises the responsibility AND liability of employers, housing providers, public accommodations, and educational institutions to abide by the New York State Division of Human Rights Law, at all times.

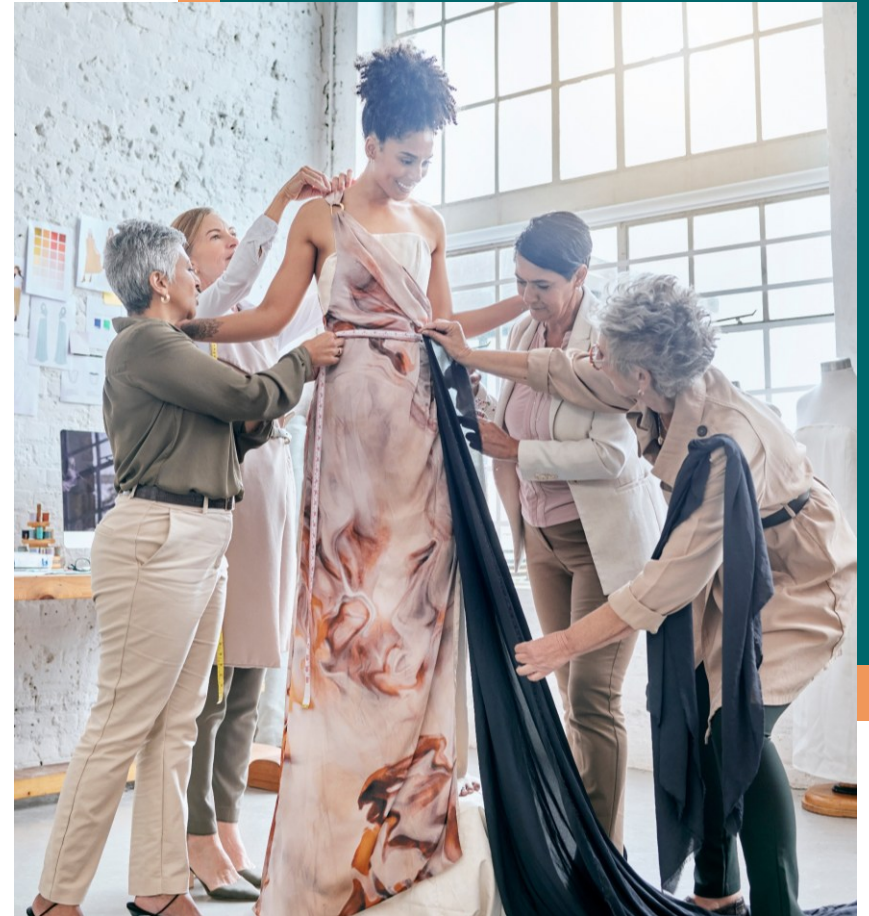




# Other New York State Laws

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- Fashion Workers Act- regulates working conditions of fashion industry professionals and conduct of employers in the fashion, entertainment and retail industries.



# New Jersey- Minimum Wage Updates and UI Increases

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- Effective January 1, 2025, the minimum wage increased by \$0.36 to \$15.49 per hour.
- For tipped workers, it went to \$5.62 per hour, up from \$5.26.
- UI Benefits will increase to a maximum of \$875/week.



# New Jersey Pay Transparency Law

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- Effective June 1, 2025, New Jersey's pay transparency law will require employers to disclose salary ranges in job postings and internal postings.
- Applies to employers with 10 or more employees over twenty calendar weeks and that do business, have employees, or take applications for employment in New Jersey

# New Jersey Data Protection Act

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- Effective January 15, 2025
- Must protect consumer information and limit the collection of personal data, ensure reasonable data security practices, post privacy notices, maintain data protection assessments, and other requirements.
- Employers are not completely excluded from the NJDPA. Employers should review their internal data privacy policies and data collection processes to ensure compliance.

# Connecticut Employment Law Updates

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- Minimum Wage Update:
  - Effective January 1, 2025, the state's minimum wage increased from \$15.69 to \$16.35 per hour.
- Expanded Paid Sick Leave:
  - Effective January 1, 2025, Public Act No. 24-8 expands Connecticut's Paid Sick Leave Law in phases beginning in 2025.
    - January 1, 2025- law applies to businesses with at least 25 employees
    - January 1, 2026- law applies to businesses with at least 11 employees
    - January 1, 2027- law will apply to every CT employer.
  - Employees will earn 1 hour for every 30 hours worked (as opposed to the previous 40 hours worked).
  - Leave can be used for more reasons, including mental health days or when schools/workplaces are closed.

# Rhode Island Employment Law Updates

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- Minimum Wage Increase - Effective January 1, 2025, the state's minimum wage increased from \$14.00 to \$17.00 per hour. The tipped minimum wage remains at \$3.89 per hour.
- Temporary Caregiver Insurance (TCI) Leave Expansion - employees were entitled to six weeks of TCI leave.
  - Effective January 1, 2025, this increased to seven weeks, and it will increase to eight weeks on January 1, 2026.
  - TCI provides partial wage replacement for employees caring for a seriously ill family member or bonding with a new child.

# Maine Employment Law Updates

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- Minimum Wage Increase: Statewide – Effective January 1, 2025, the minimum wage has increased from \$14.15 to \$14.65 per hour.
- Paid Family and Medical Leave Program – Contributions –
  - Employers required to start payroll contributions to Maine's PFML program as of January 1, 2025.
  - Employers with 15 or more employees must contribute 1% of wages, with up to half of this contribution deductible from employees' wages.
  - Employers with fewer than 15 employees are required to contribute 0.5% of wages, which can be fully deducted from employees' wages.
  - Employees will be able to access benefits under the PFML program starting May 1, 2026.
  - The program provides up to 12 weeks of paid leave for qualifying reasons, including personal health conditions, bonding with a new child, and caring for a family member with a serious health condition.

# New Hampshire Employment Law Updates

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- New Guns at Work Law
  - Effective January 1, 2025, New Hampshire employees may store guns and ammunition in their **locked** cars on their employer's property. The guns/ammunition must remain out of sight.
  - Employers may not discharge or discipline an employee for storing a gun or ammunition in a locked car.
- Pump Act
  - Effective July 1, 2025, NH employers with 6 or more employees have to provide nursing mothers with 30 minute unpaid lactation breaks for every 3 hours of work.



# Massachusetts Employment Law Updates

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- Salary Range Transparency Act
  - Effective October 2025, requires MA employers with 25 or more employees to disclose pay ranges in job postings, when an employee is offered a promotion, and to provide pay ranges to employees upon request.
- Effective February 1, 2025, MA employers with at least 100 employees in the state must file an annual report with the state disclosing workforce demographics and pay.

# Vermont Employment Law Updates

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- Minimum Wage Updates
  - Effective January 1, 2025, Vermont's minimum wage will increase to \$14.01. It will also increase to \$7.01 for tipped employees.
- Pay Transparency Act
  - Effective July 1, 2025, employers with 5 or more employees must include wage ranges in job advertisements.



# Employment Law Trends and Hot Topics for 2025

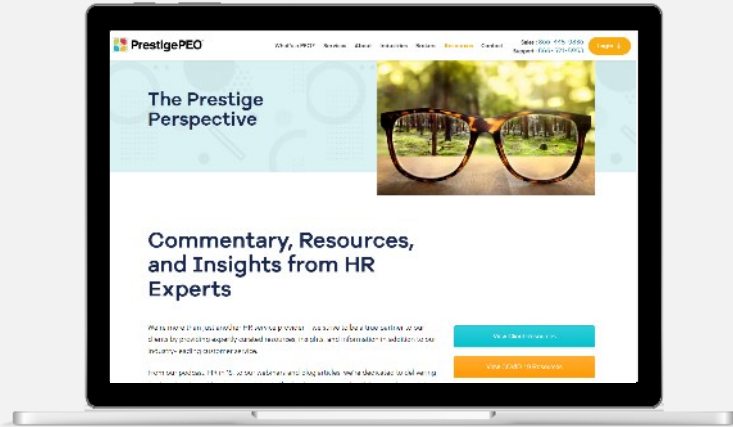
# Trends/Hot Topics

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- Pay Transparency
- Paid Time Off for Prenatal Care and Other Familial Care
- Data Privacy



# Questions / Comments / Discussion?



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