



## Breaking Down Legal Updates for 2026

Thursday, March 26, 2026

# April Education and Training Classes

**April 21**

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**April 23**

Notary Public Training  
& Test Prep

**April 28**

Service Advisor's  
Guide to Selling  
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# Sales Tax Seminar

Center for Automotive Education & Training

Tuesday, May 12, 2026:

- 9:30 AM – 12:00 PM

## Learn How to Handle Sales Tax

Sales tax issues can be complicated and confusing and may lead to costly errors. This seminar will cover the most common sales tax questions received by GNYADA.

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# DEALER PREVIEW RECEPTION

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THIS INVITATION IS FOR  
DEALER PRINCIPALS & GENERAL MANAGERS

# 2026 GNYADA Webinar

March 26, 2026

**James E. McGrath, III**

**Samuel P. Wiles**



## **James E. McGrath, III**

Member

Labor & Employment

[jmcgrath@bsk.com](mailto:jmcgrath@bsk.com)

O: (646) 253-2319



## **Samuel Wiles**

Associate

Labor & Employment

[swiles@bsk.com](mailto:swiles@bsk.com)

O: (646) 253-2333

# Agenda for Today

- Address new legislation for New York employers in 2026
- Cover notable adjustments to the New York State Human Rights Law
- Review state laws passed in 2025 to help ensure compliance
- Answer any questions you may have

# Trapped at Work Act 2.0

- Initially passed December 2025 with broad definition of “employment promissory note” that could be construed as applying to various types of agreements:
  - Tuition repayment agreements
  - Sign-on bonuses
- Amendment was introduced on January 6, 2026, and subsequently passed both the Assembly and Senate
- Governor signed the amendment on 2/13/26

# Trapped At Work Act - Coverage

- The Act broadly defines “employer” as:
  - Individuals, partnerships, associations, corporations, limited liability companies, trusts, the government and any organized group that hires or contracts with a worker
  - Any subsidiary or entity that is associated with an employer that provides training to workers
- The Act broadly defines “worker” as:
  - An individual who is permitted to work for or on behalf of an employer, including employees, independent contractors, externs, interns, volunteers, apprentices
  - Sole proprietors who provide services on behalf of an employer

(cont'd)

# Trapped At Work Act (Effective 12/16/2026)

- Employers are prohibited from requiring any worker or prospective worker to execute, as a **condition of employment**, an “employment promissory note”
- Employment promissory note is defined as any instrument, agreement or contract provision, “that requires a worker to pay the employer ... a sum of money if the worker leaves such employment before the passage of a stated period of time.”
  - Includes any agreement which states such payment constitutes reimbursement for training provided to the worker by the employer or a third party (e.g., tuition reimbursement agreements?)

# Trapped at Work Act

- Transferrable Credential includes:
  - Any degree, diploma, license, certificate, or documented evidence of skill proficiency or course completion that is widely recognized by employers in the relevant industry as a qualification for employment, independent of the employer's specific business practices
- Transferrable Credential does not include:
  - Instruction regarding employer's proprietary processes, systems, internal policies, software, or equipment that is unique to the employer
  - Mandated safety and compliance training; training required by federal, state or local law to maintain workplace safety (e.g., OSHA certifications, sexual harassment prevention training, or diversity training)

# Trapped At Work Act - Exceptions

- The Act specifically *allows* the following types of employer reimbursements:
  - Repayment of sums advanced by the employer, unless the sum was used to pay for training related to the worker's employment with the employer
  - Payment for employer-provided property sold or leased to the worker
  - Agreements tied to sabbatical leave for educational personnel
  - Programs agreed to under a collective bargaining agreement
  - Agreements requiring the repayment of a financial bonus (e.g., sign on bonuses), relocation assistance or other non-educational incentive, payment or benefit that is not tied to specific job performance.
  - Employer may not require repayment if the employer terminates the employee, unless the employer terminated the employee for misconduct.

# Trapped At Work Act - Penalties

- Penalties for violating the Act include:
  - Civil penalties from the New York State Department of Labor, ranging from \$1,000 to \$5,000 for **each** violation
  - Attorneys' fees may be awarded to employees who successfully defend against an employer's attempt to enforce a prohibited agreement

Note: If these prohibited promissory notes are a part of a larger employment agreement, only the promissory note portion is invalid

- The remainder of an otherwise enforceable employment agreement will not be affected

Also Note: No private enforcement – only enforcement via the DOL

# Trapped At Work Act Amendment - Takeaways

- The Trapped at Work Act signed by Governor Hochul is effective December 16, 2026
- Employers should review their existing agreements and practices to ensure compliance to avoid legal exposure – the Act is both retroactive and prospective
- Pay close attention to tuition repayment agreements, sign-on bonuses, relocation bonuses, anything that requires repayment if the employee does not stay for a specified period of time

# Fair Credit Reporting Act Amendment

- Beginning **April 18, 2026**, employers are prohibited from:
  - Requesting or using an individual's consumer credit history for employment purposes
    - defined as “an individual's credit worthiness, credit standing, credit capacity or payment history as indicated by” various factors
  - Discriminating against an individual in any way based on their consumer credit history
- Impact on Accessible Credit Information
  - Reporting agencies are also prohibited from providing consumer credit history in a consumer report for employment purposes unless statutorily exempted
- Impact on Local Laws
  - The amendment does not exempt any employer from complying with local law on the use of consumer credit if those laws provide greater protection for employees

# Fair Credit Reporting Act Amendment

- Exceptions: requests and use by employers is permitted when:
  - Required by federal or state law, or required for security clearances, background checks, & bonded positions
  - Required for positions that have signatory authority over third party funds or assets valued at \$10,000
    - or that involve a fiduciary responsibility to the employer with the authority to enter financial agreements valued at \$10,000 or more on behalf of the employer
  - Persons in non-clerical positions that have regular access to trade secrets, intelligence information or national security information
  - Persons in positions with regular duties that allow the employee to modify digital security systems established to prevent the unauthorized use of the employer's or client's networks or databases.
  - Other niche statutory exemptions
- Exceptions are to be construed narrowly and must apply to specific positions, not roles or employer as a whole

# Updated FMLA Guidance

- On January 5, 2026, USDOL determined:
  - FMLA leave also applies to employee travel time commuting to and from approved medical appointments
- Covered leave is limited to travel related to the medical appointment
  - FMLA leave does not cover time spent traveling to unrelated activities or the time spent on those activities *i.e.*, stopping for lunch after a medical appointment
- Employers may require a medical certification to support the need for FMLA leave
  - An employee is not required to provide specific travel time on their certification
- The DOL has also restarted its Opinion Letter practice, so stay advised on those as they come out

# New York City's Pay Equity Reporting

- In December 2025, New York City enacted two bills that create a framework requiring private employers to report pay and demographic data
  - Applies to employers with 200 or more employees in NYC at any given point in the year to submit annual pay report
- The City will, within the year, develop a standardized form and employers will then be required to submit the pay report to the designated agency on an annual basis.
  - Report would gather demographic data for purposes of determining whether there are any disparities in compensation based on gender, race or ethnicity.

# Opioid Antagonist Requirement

- Employers that are federally mandated to have first aid supplies readily available for treatment of all injured employees must also include an opioid antagonist in that first aid kit.
- This bill was chaptered by the Governor and will go into effect June 2026.
  - In her approval memo, Governor Hochul explained “I have secured an agreement with the legislature to amend this bill to clarify that opioid antagonists must be kept in the in the workplace, but not every individual first aid kit; align this law with other existing opioid overdose prevention programs established in state law”

# Minimum Wage Changes for 2026

- **Hourly increases**
  - Effective January 1, 2026, minimum wage is now \$17.00 in New York City, Long Island, and Westchester, and \$16.00 in the remainder of the State
- **Exempt Changes**
  - Effective January 1, 2026, the salary threshold for exempt status increased as follows:
    - For NYC, Long Island, and Westchester County, the weekly minimum increased from US to \$1,275.50 (\$66,300 per year)
    - For elsewhere in the state, \$1,199.10 per week (\$62,353.20 per year)
- **Uniform Allowance**
  - NY, LI, Westchester: 30+ hours - \$21.10; 20-30 hours - \$16.75; 20 hours or fewer - \$10.10
  - Remainder of NYS: 30+ hours - \$19.85 - 20-30 hours - \$15.80; 20 hours or fewer - \$9.55

# Expanded Earned Safe and Sick Time Act in NYC

- **Effective February 22, 2026**
- On October 25, 2025, NYC broadened the scope of qualifying reasons for employees to utilize paid safe and sick time.
  - Employees designated as “caregivers” may use safe and sick time to care for a minor child or a “care recipient.”
  - Employees may take leave to address situations involving workplace violence affecting themselves or their family members.
  - In the event of a “public disaster,” employees are entitled to take leave for Workplace closures; Caring for a child whose school or childcare provider is closed or has restricted in-person operations; and Compliance with directives from public officials to remain indoors or avoid travel.
- Employees may use leave to attend or prepare for legal proceedings, or to take necessary actions related to applying for, maintaining, or reinstating subsistence benefits or housing for themselves, a family member, or a care recipient.

# Key Changes

- **Expanded Qualifying Reasons for ESSTA Leave Accruals**
  - Public disaster
  - Caregiving responsibilities
  - Subsistence Benefits/Housing
  - Workplace violence
- **Additional 32 Unpaid Sick Time Hours**
  - Frontloaded upon hire and annually thereafter, for all employees
- **Temporary Schedule Change Act**
  - Employers no longer required to accept or approve requests for temporary schedule changes under TSCA, but employees still have the right to request a temporary schedule change
  - Employers must respond to request as soon as practicable
  - Employers may propose an alternative temporary change but employee does not have to accept
  - Retaliation still prohibited

# Expect Further Enforcement of the ESSTA

- On February 20, 2026, Mayor Mamdani announced that the City issued compliance warnings to 56,000 NYC employers and advised on a new data-drive strategy to enforce the law.
- The DCWP issued a report outlining this strategy
  - It compares paid sick leave use rates with national data
  - The report found that the need for sick leave is universal across industries and demographics
  - If employer records show unusually low use rates, DCWP will treat that as evidence of violations.
- Fines could be at least \$500 per impacted employee per year in addition to civil penalties.

# New Proposed Rules and FAQ Guidance

- Now referred to “NYC Protected Time Off (“PTO”) Law”
- Proposed Rules: <https://rules.cityofnewyork.us/rule/protected-time-off-under-the-earned-safe-and-sick-time-act/>
  - Comments were due March 2, 2026
  - Public hearing held March 2, 2026
- Updated FAQ Guidance: <https://www.nyc.gov/site/dca/about/paid-sick-leave-FAQs.page>

# ESSTA Enhanced Enforcement

- As part of these amendments, the City is relabeling its safe and sick time benefit as “protected time off.”
  - Despite the rebranding and broader scope of use, New York City Protected Time Off Law is **not** a new law. It is simply a rebranding of ESSTA.
- ESSTA (or the Protected Time Off Law) is **not** a paid time off mandate where employers must allow the statutory time off to be used for any reason.

# ESSTA Notice

## Notice of Employee Rights: Protected Time Off

Your employer must give you this notice explaining your right to protected time off and paid prenatal leave.

### Use

#### Use Protected Time Off to:

- Get medical care or to recover from your own illness or injury.
- Care for a family member who is sick or has a medical appointment.
- Care for a child. *Includes school holidays, child care disruptions.*
- Care for a family or household member with a disability.
- Leave an abuser if you're experiencing domestic violence.
- Take safety measures if you or a family member experience unwanted sexual contact, stalking, human trafficking, workplace violence, or domestic violence. *Includes reporting to law enforcement, getting services, serving as a witness, and more.*
- Stay home during extreme weather events or other public emergencies.
- Attend public benefits or housing appointments or hearings.

#### Use Paid Prenatal Leave to:

- Get health care for yourself during your pregnancy.

### Amount

Your employer must provide the following amounts of leave:

Employer Size	Protected Time Off Per Calendar Year*		Paid Prenatal Leave Per Year
	Immediately Available	Accrued (1 hour for every 30 hours worked)	Immediately Available
100 or more employees	32 hours <i>Unpaid</i>	Up to 56 hours <i>Paid</i>	20 hours <i>Paid</i>
5-99 employees OR more than \$1 million in business earnings	32 hours <i>Unpaid</i>	Up to 40 hours <i>Paid</i>	20 hours <i>Paid</i>
Household (You work as a babysitter, housekeeper, or companion.)	32 hours <i>Unpaid</i>	Up to 40 hours <i>Paid</i>	20 hours <i>Paid</i>
1-4 employees AND less than \$1 million in business earnings	32 hours <i>Unpaid</i>	Up to 40 hours <i>Unpaid</i>	20 hours <i>Paid</i>

\*Your employer's calendar year is: \_\_\_\_\_ to \_\_\_\_\_

Your employer can only require you to give advance notice of an expected use of protected time off; for example, to attend a scheduled doctor's appointment or court hearing. **You do not have to give advance notice of an unexpected use of protected time off; for example, illness or child care disruption.**

You do not have to give your employer details about why you used protected time off. If you use four or more workdays in a row, your employer can require documentation. **Your employer can't require documentation if you use three or fewer consecutive days.**

### Required Written Disclosures

Your employer must:

- Give you a written policy that explains how to use your protected time off and paid prenatal leave.
- Tell you how much protected time off you have used and have left each pay period.

### No Retaliation

It is illegal to punish or fire employees for requesting or using leave or for reporting violations. You have the right to leave regardless of your immigration status.

- Employers must distribute the updated Notice of Employee Rights to existing employees within 30 days of the amended ordinance's effective date, i.e., by Tuesday, March 24, 2026.
- The amended Notice **also** must be posted in a conspicuous and accessible location in the workplace.
- The updated Notice must also be provided to new hires at the start of their employment. The Notice must be provided to employees through a method that reasonably ensures personal receipt
- <https://www.nyc.gov/assets/dca/downloads/pdf/about/PaidSafeSickLeave-MandatoryNotice-English.pdf>

# Next Steps for Employers

- Ensure you are in compliance!
  - If you have not already, evaluate current PTO/sick time policies and TSCA policies and revise to align with new changes
  - Work with legal to understand any necessary changes and update policies for compliance, but tailored to your workplace needs, goals, and objectives
  - Ensure tracking and reporting accruals each pay period is set up correctly
  - Train supervisors/managers, HR, others who are responsible for attendance enforcement
- Required: Employers must provide each employee with copy of updated written policy within 14 day of any changes and provide updated Notice of Employee Rights (<https://www.nyc.gov/site/dca/about/Paid-Safe-Sick-Leave-Notice-of-Employee-Rights.page>)

# Reasonable Accommodation Requests are Now Protected Activity

- Effective Dec. 5, 2025, the New York State Human Rights Law (NYSHRL) was amended to expressly prohibit retaliation against employees who request a reasonable accommodation.
- Courts have disagreed on whether a request for reasonable accommodation qualifies as protected activity to satisfy the first element of a retaliation claim:
  - ADA and NYCHRL have recognized that requesting an accommodation, by itself, constitutes protected activity. NYSHRL did not.
- This amendment brings NYSHRL into alignment.
- Consequently, any retaliatory action taken in response to such a request constitutes an unlawful discriminatory practice under the NYSHRL

# NYSHRL Disparate Impact Liability

- New York passed S.B. S8338, amending the Human Rights Law to codify disparate impact analysis in a new Executive Law Section 296(5-a). Now effective.
- Imposes liability based on an employment practice’s “discriminatory effect,” regardless of intent.
- “[A] practice has a discriminatory effect where it actually or predictably results in a disparate impact on a group of persons, because of their membership in a [protected class.]”
- Complainant bears burden of proof that a challenged practice caused or predictably will cause a discriminatory effect.

# 2025 Reminders

# 2025 Reminders

- Paid Prenatal Leave
- Notice of reproductive health care choices in handbooks
- Retail Worker Safety Act
- Workers Compensation expansion

# New York State Prenatal Leave

- Employers must provide up to 20 hours of paid leave to take time off from work for pregnancy-related health care appointments
  - Includes physical examinations, medical procedures, monitoring, testing, discussions with a health care provider needed to ensure a healthy pregnancy, end of pregnancy care, fertility treatment
- Only available to the pregnant employee – a spouse, partner, or support person is unable to use Paid Prenatal Leave for these appointments.
- The 20 hours resets every 52-weeks and is granted immediately upon hire.

# Reproductive Health Care Choices

- On Jan. 2, 2025 in *CompassCare v. Hochul*, the US Court of Appeals for the Second Circuit vacated a permanent injunction that had halted a requirement under N.Y. Labor Law § 203-e that employers include a notice in employee handbooks regarding the prohibition of discrimination for an employee's or dependent's reproductive health care choices.
- Review employee handbooks and update as necessary to include the notice of employee rights and remedies required under N.Y. Lab. Law § 203-e.

# Retail Worker Safety Act

- Effective June 2, 2025
- Employers must adopt written workplace violence prevention policies with certain criteria and content
- Distribute that policy to employees
- Annual workplace violence prevention training that meets certain criteria.
- By January 1, 2027 – Covered employers with 500 or more employees statewide must provide panic buttons

# Workers' Compensation Expanded

- Effective January 1, 2025:
- “Where a worker files a claim for mental injury premised upon extraordinary work-related stress incurred at work, the [Workers’ Compensation Board] may not disallow the claim upon a factual finding that the stress was not greater than that which usually occurs in the normal work environment.”
  - Previously, in New York, only first responders facing PTSD were generally eligible.
- Anticipate more workers’ compensation claims

Questions?

The information in this presentation is intended as general background information on labor and employment law. It is not to be considered as legal advice. Employment law changes often and information becomes rapidly outdated.

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