

What's coming in **July 2026** and what to do.

Your one-month notice for the coming laws. Update your handbook, configure payroll, and brief managers without scrambling.

37

CHANGES TRACKED

30

WAGE INCREASES

27

JURISDICTIONS

3

LAW DEEP DIVES

JUNE 1, 2026

POWERED BY EPHY · EPHY.IO

✦ THE PROBLEM

By the time the law takes effect, *it's already too late.*

We've pulled together every employment and wage law taking effect in July 2026 so you can plan ahead, stay compliant, and avoid surprises.

This issue lands one month early, long enough to update your handbook, configure payroll, and brief managers without scrambling.



One month

to act before July 1



37 changes

across 10 states + Fed (incl. 30 wage hikes)



3 law deep dives

on the changes most likely to bite

↗ BY THE NUMBERS

The July 2026 wave is *bigger than you think.*



\$25/hr

CA healthcare workers (SB 525)



30 hikes

Minimum-wage increases on July 1



400K

New NJFLA-eligible employees



\$26.5/hr

Long Beach hotel ceiling (highest hike)

THE LANDSCAPE AT A GLANCE

37 changes including 30 wage hikes. *One busy month.*

Two sections in this issue: Employment laws & law deep dives on pages 4–9 · Dedicated July 1 wage-increase tracker on page 10.

37

CHANGES TRACKED

30

WAGE HIKES JULY 1

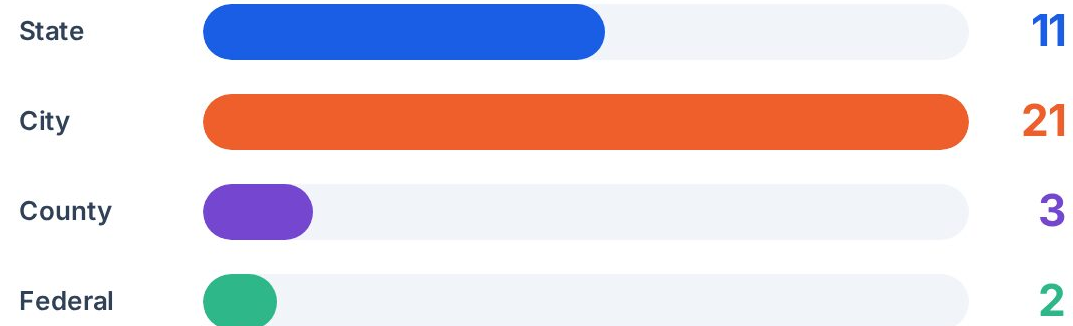
27 + Fed

JURISDICTIONS

4

REGULATORY LEVELS

BY REGULATORY LEVEL



MINIMUM-WAGE RANGE

\$14 → **\$26.50** /hr

Alaska floor → Long Beach hotel ceiling

30 separate wage hikes take effect July 1

PENALTY RANGE

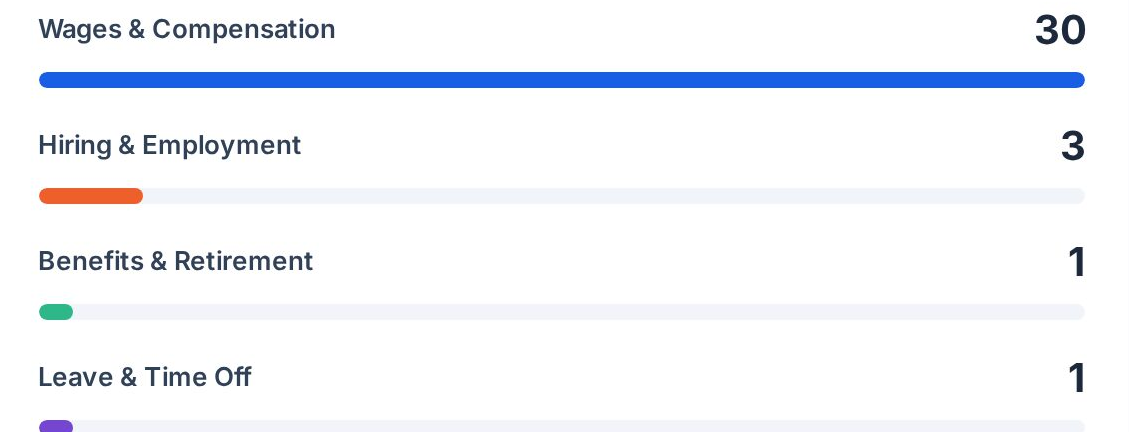
\$1K → **\$27.9K** /violation

Plus treble damages, daily fines, attorney's fees

INDUSTRIES IMPACTED

Universal / All	33
Hospitality & Hotels	3
Healthcare	1

BY CATEGORY



THE HIGH-RISK / HIGH-PENALTY FIVE

Top laws to fix before July 1

RANKED BY RISK × PENALTY

01

Healthcare workers → \$25/hr

Large healthcare employers must pay covered workers \$25/hr (SB 525).

July 1

★ California

RISK · HIGH

PENALTY · HIGH

PENALTY EXPOSURE

Back wages + 30-day waiting-time penalty; up to \$200/employee/violation

OWNER

HR

02

July 17
★ New Jersey

RISK · HIGH

PENALTY · HIGH

Family Leave expanded to 15+

NJFLA threshold drops from 30 → 15 employees, doubling covered workforces.

PENALTY EXPOSURE

Civil penalties + compensatory damages, reinstatement, back pay, fees

OWNER

HR

03

July 1
Colorado

RISK · HIGH

PENALTY · HIGH

Wage-claim ceiling → \$13K

CDLE jurisdiction rises from \$7,500 to \$13,000 per employee, bigger admin claims.

PENALTY EXPOSURE

Treble (3×) damages under CO Wage Claim Act; \$1,000/violation + fees

OWNER

HR

04

July 1
Washington

RISK · HIGH

PENALTY · HIGH

Fair Chance Act expands

Employers with 15+ must ban-the-box before any conditional offer.

PENALTY EXPOSURE

Escalating \$1,500 / \$3,000 / \$15,000; reinstatement + damages

OWNER

HR, Managers

05

July 1
Los Angeles, CA

RISK · HIGH

PENALTY · HIGH

Hotel workers → \$25/hr

LA hotel worker minimum wage rises to \$25/hr plus \$8.15 health benefit.

PENALTY EXPOSURE

Civil penalties, back wages, liquidated damages; enhanced for willful

OWNER

Payroll, HR

NOTABLE MEDIUM-TIER FOLLOW-UPS

The next wave to plan for

RANKED BY RISK × PENALTY

06

Trump Accounts: \$2,500 employer option

Employers may voluntarily contribute up to \$2,500/yr to employees' children's Trump Accounts (MAGA accounts).

July 4

★ Federal — IRS

RISK · LOW

PENALTY · LOW

PENALTY EXPOSURE

No direct penalty, voluntary; standard IRS rules apply if mis-reported

OWNER

HR + Payroll

07 July 31
Federal — USCIS

RISK · MEDIUM

PENALTY · HIGH

New I-9 form (5/31/27)

Electronic I-9 systems must update to the new Form I-9 version expiring 5/31/27.

PENALTY EXPOSURE

\$281-\$2,789/violation; up to \$27,894/worker for knowing violations

OWNER

HR

08 July 1
Virginia

RISK · HIGH

PENALTY · MEDIUM

Non-competes need severance

Non-competes unenforceable on no-cause termination unless severance is paid.

PENALTY EXPOSURE

Courts may void agreement and award fees; VDOLI civil penalties

OWNER

HR

09 July 1
Alaska

RISK · HIGH

PENALTY · MEDIUM

Min wage → \$14/hr, no tip credit

Alaska min wage rises to \$14/hr; tip credits not allowed (Ballot Measure 1).

PENALTY EXPOSURE

Unpaid wages + 2x liquidated damages; up to \$1,000/violation

OWNER

HR

10 July 1
Oregon

RISK · HIGH

PENALTY · MEDIUM

CPI minimum-wage tiers rise

CPI-indexed minimum wage increases across three regional tiers statewide.

PENALTY EXPOSURE

Back wages + up to \$1,000/violation; double unpaid wages via suit

OWNER

HR

THE DETAILS

The top three *most likely to bite* mid-sized employers.



#01

WAGE

California — SB 525

Healthcare \$25/hr



#02

BENEFITS & RETIREMENT

Federal — IRS

Trump Accounts: \$2,500 employer contribution



#03

LEAVE

New Jersey — NJFLA

~400K newly eligible

\$ #01 · WAGE
July 1, 2026 · California — Statewide

Healthcare worker minimum wage reaches \$25/hr (SB 525)

California Department of Industrial Relations

California's SB 525 (Labor Code §§ 1182.14–1182.15) created a phased minimum wage just for healthcare workers, separate from the general state minimum. **July 1, 2026 is the final scheduled step** for large private hospitals, large health systems, large county hospitals, and dialysis clinics: covered workers must be paid at least **\$25/hr**.

Coverage reaches both clinical and non-clinical staff who support care delivery, janitors, food service, schedulers, billing, and administrative employees at qualifying facilities. **Clinic employees** follow a different curve (\$23/hr on July 1, 2026 → \$25/hr on July 1, 2028); financially distressed hospitals have runway out to **2033**.

After hitting \$25/hr, the healthcare rate indexes annually using California's general state minimum-wage formula. Watch CBAs, internal pay scales, new-hire packets, and job postings, each must line up with the correct facility schedule.

Exposure: back pay, **\$100/employee/pay period** civil penalty, liquidated damages, and PAGA / private suits. The Labor Commissioner actively enforces in healthcare.

KEY REQUIREMENTS & CHANGES

- **\$25/hr floor** — Large hospitals, health systems, county hospitals & dialysis clinics — covered workers paid at least \$25/hr starting July 1, 2026.
- **Clinical + non-clinical** — Janitors, food service, schedulers, billing, and admin staff who support care delivery are all in scope.
- **Different schedules** — Clinics: \$23/hr July 2026 → \$25/hr July 2028. Financially distressed hospitals: extended runway through 2033.
- **Annual indexing** — After hitting \$25/hr, the rate adjusts annually using California's general state minimum-wage formula.

Source: California DIR · SB 525 (Ch. 890, 2023)

[↓ DOWNLOAD BRIEF \(PDF\)](#)

✔ YOUR ACTION

Classify each facility, update payroll & CBAs, and refresh job postings before July 1.

EFFORT

Medium

OWNER

HR + Payroll

RISK

High

TIMELINE

16 DAYS LEFT

Now

July 1, 2026

Less than a month. Move now.

\$ #02 · BENEFITS & RETIREMENT
July 4, 2026 · Federal — United States

Trump Accounts: new voluntary \$2,500/yr employer contribution for employees' kids

Internal Revenue Service (IRS)

Effective July 4, 2026, under the **One Big Beautiful Bill Act (P.L. 119-21)**, employers may voluntarily contribute to a new type of child savings account called a **"Trump Account"**, formally a Money Account for Growth and Advancement (MAGA account), on behalf of employees' children under age 18. The accounts function similarly to IRAs.

The total annual contribution limit is **\$5,000 per child**, of which employers may contribute up to **\$2,500 per year**. Employer contributions stack on top of anything parents or guardians put in. This is a benefit option, not a mandate, no employer is required to participate.

Tax treatment is governed by the OBBBA. Employers should confirm deductibility and payroll-tax handling with a qualified tax advisor before launch, and watch for updated guidance in **IRS Publication 15** and **Publication 15-B** (Employer's Tax Guide to Fringe Benefits).

Exposure: no direct penalty for declining to offer the benefit. Standard IRS reporting and income-inclusion rules apply if contributions are mis-reported on payroll or W-2s.

KEY REQUIREMENTS & CHANGES

- **\$2,500 employer cap** — Voluntary employer contribution capped at \$2,500/yr per child; total account limit is \$5,000/yr including parent contributions.
- **Children under 18** — Accounts are for employees' children under age 18 and function similarly to IRAs (MAGA accounts).
- **Coordinate with payroll** — Work with your payroll provider to set up contribution processing, W-2 handling, and any fringe-benefit reporting before July 4.
- **Communicate the benefit** — If you opt in, announce eligibility, enrollment steps, and contribution mechanics to employees with kids under 18.
- **Check IRS Pubs 15 / 15-B** — Review updated IRS guidance for deductibility and payroll-tax treatment before adding it to your benefits package.

Source: IRS Publication 15 · One Big Beautiful Bill Act (P.L. 119-21)

[↓ DOWNLOAD BRIEF \(PDF\)](#)

✓ YOUR ACTION

Decide whether to offer Trump Account contributions; if yes, coordinate with payroll and update benefits materials before July 4.

EFFORT

Low

OWNER

HR + Payroll

RISK

Low

TIMELINE

19 DAYS LEFT

Now

July 4, 2026

Less than a month. Move now.

 #03 · LEAVE
July 17, 2026 · New Jersey — Statewide

Family Leave Act expansion: ~400,000 more employees covered

New Jersey Department of Labor and Workforce Development

New Jersey's amended FLA drops the employer threshold from **30 → 15 employees** (counted regardless of where they work), and slashes eligibility from 12 months/1,000 hours to **3 months / 250 hours** in the preceding 12. State estimate: **~400,000 additional employees** become eligible overnight, the law's biggest expansion since enactment.

Newly covered employers (15–29) must offer up to **12 weeks of unpaid, job-protected leave** per 24-month period. Part-time and short-tenure workers now qualify, so leave forecasts and backfill plans need a refresh.

New **leave-coordination rule**: where an employee is eligible for paid sick time and TDI or FLI, the *employee chooses* which benefit runs first (only one paid leave at a time). Update handbooks, NJFLA notices, and leave-admin workflows before July 17.

Federal FMLA still keys off 50+, so workforces of **15–49 are NJFLA-covered but not FMLA-covered**, multi-state employers must reconcile both regimes.

Exposure: civil liability for lost wages and benefits, emotional distress damages, attorney's fees, and NJ DOL investigation, including for retaliation or missing notices.

KEY REQUIREMENTS & CHANGES

- **Threshold drops 30 → 15** — NJFLA now covers employers with 15+ employees, regardless of where those employees work.
- **Eligibility 12 mo → 3 mo** — Employees qualify after just 3 months and 250 hours of service in the preceding 12, part-time and short-tenure workers in scope.
- **12 weeks unpaid leave** — Newly covered employers (15–29) must provide up to 12 weeks of job-protected leave per 24-month period.
- **Employee-choice coordination** — When paid sick + TDI or FLI overlap, the employee picks which benefit runs first (only one paid leave at a time).
- **FMLA gap** — Federal FMLA still keys off 50+ — workforces of 15–49 are NJFLA-covered but not FMLA-covered.

Source: NJ DOL — Family Leave Act (2026 Amendment)

 [DOWNLOAD BRIEF \(PDF\)](#)

YOUR ACTION

Confirm NJ headcount. If 15+, update the handbook, NJFLA notice, and leave-admin system before July 17.

EFFORT

Medium

OWNER

HR + Benefits

RISK

High

TIMELINE

32 DAYS LEFT

Now

July 17, 2026

~2 months to update systems & train teams

\$ Every minimum-wage step taking effect this month

<p>CALIFORNIA NEW</p> <p>\$25.00 /hr</p> <p>Healthcare workers (SB 525)</p>	<p>ALASKA +\$1.00</p> <p>\$13.00 → \$14.00 /hr</p> <p>Statewide standard (Ballot Measure 1)</p>	<p>LONG BEACH, CA NEW</p> <p>\$26.50 /hr</p> <p>Hotel workers (100+ rooms)</p>	<p>LOS ANGELES, CA +\$2.50</p> <p>\$22.50 → \$25.00 /hr</p> <p>Hotel workers (60+ rooms) + \$8.15 health</p>
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SCHEDULED CPI & PHASED INCREASES, ALSO EFFECTIVE JULY 1 Source: state, county & city wage boards · checked 6/2/2026

San Francisco, CA	\$19.18 → \$19.61	Los Angeles (City), CA	\$17.87 → \$18.42
Berkeley, CA	\$19.18 → \$19.61	Emeryville, CA	\$19.90 → \$20.34
Pasadena, CA	\$18.04 → \$18.57	Santa Monica, CA	\$17.81 → \$18.47
Malibu, CA	\$17.27 → \$17.91	Milpitas, CA	\$18.20 → \$18.50
Alameda, CA	\$17.46 → \$17.76	Fremont, CA	\$17.75 → \$18.05
West Hollywood, CA — hotel	\$20.22 → \$20.87	LA County, CA (Unincorporated)	\$17.81 → \$18.47
Washington, D.C.	\$17.95 → \$18.40	D.C. tipped (cash wage)	\$10.00 → \$10.30
Saint Paul, MN — small (6-100)	\$15.00 → \$16.37	Saint Paul, MN — micro (≤5)	\$13.25 → \$14.25
Renton, WA — mid-size (15-499)	\$20.57 → \$21.57	Everett, WA — mid-size (15-499)	\$18.77 → \$19.77
Chicago, IL <small>Tipped base \$12.96</small>	\$16.60 → \$17.05	Cook County, IL (Suburban) <small>Tipped \$9.25</small>	\$15.00 → \$15.40
Oregon — standard (CPI) <small>Annual CPI; 3 regional tiers</small>	\$15.05 → —	Alaska exempt salary threshold <small>Rises to \$1,120/wk (\$58,240/yr)</small>	— → —

Action: refresh payroll tables on June 30, redistribute updated wage posters, and double-check tipped & hotel-worker schedules where multiple jurisdictions overlap.

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