CLIENT ALERT

SIGNIFICANT EMPLOYMENT LAW CHANGES FOR CONNECTICUT EMPLOYERS

September 4, 2026

<u>Public Act 26-12</u>

In May, 2026, Governor Ned Lamont signed into law Public Act 26-12 that expands existing laws and creates additional obligations on Connecticut employers in various employment areas. Employers should revise policies, procedures, and handbooks to ensure compliance with these laws.

Disclosure of Wage Ranges and Description of Benefits

Currently, employers are required to provide wage ranges for positions to applicants and employees. Effective October 1, 2026, there is an additional requirement that employers provide wage ranges and a general description of benefits (health insurance, retirement, fringe benefits, paid leave, and any other non-wage compensation) in all internal and public job postings. If the position is not posted, employers must provide the wage range and benefits description at the earlier of the applicant's request or before any discussion or offer of compensation. For employees who will either work in Connecticut or who will perform duties outside of Connecticut but report directly to a supervisor/office/location in Connecticut, employers must provide the wage range and benefit description information upon hire, change in position, and upon employee's first request.

Applicants and employees may still bring an action for violation of this law, but punitive damages are no longer available.

Notice of Reasonable Accommodations for Disabilities

Effective October 1, 2026, employers must provide written notice of an employee’s right to reasonable accommodations under the Americans with Disabilities Act (“ADA”) to: (1) new employees hired on or after October 1, 2026 at the commencement of employment, (2) existing employees by January 29, 2027, and (3) any employee who notifies the employer of a disability, within 10 days of notification. The reference to the ADA suggests that this notice requirement only applies to employers with 15 or more employees, but guidance pending from the Labor Commissioner may clarify the law’s coverage.

The notice requirement may be satisfied by displaying a poster, which is to be prepared by the Labor Commissioner by October 1, 2026, in a conspicuous, accessible location at the employer's place of business

Electronic Monitoring

Effective October 1, 2026, employers are not only required to provide advance notice of electronic monitoring by displaying a poster in a conspicuous location at the employer's place of business but further must provide notice at the location where the monitoring takes place. Also, employers must notify employees that monitoring may be conducted without notice if the employee violates the law, violates the legal rights of the employer or other employees, or creates a hostile work environment.

Lactation Accommodations

Effective October 1, 2026, employers must provide reasonable breaks for employees to express breast milk or breastfeed in the workplace in addition to any other regularly scheduled breaks (such as lunch time) otherwise provided to the employee.

Employment Promissory Notes

Effective October 1, 2026, all employers (previously applied to only employers with 26 or more employees) may not require employees to enter into agreements that require the repayment of monies, including, but not limited to, reimbursement of training costs paid by the employer, as a condition of employment if the employee leaves employment before a specified period. Certain exceptions to this prohibition on promissory notes exist, including repayment of sums advanced to the employee, payments of property sold or leased to the employee, and agreements negotiated through a collective bargaining representative.

Employers should review their various documents provided to employees, such as relocation agreements and tuition reimbursement agreements, for compliance.

Paycheck Transparency

Effective October 1, 2026, employers with 100 or more employees (including state and municipalities) must create and publish a guide to their pay codes for overtime and commonly used pay differentials, including shift differentials, on-call pay, hazard pay, call-back pay, holiday or weekend pay, and geographical differentials.

The guide must (1) be posted on the employer's website (if one exists) in English, Spanish, and the most common other languages spoken by their employees; (2) include contact information for a designated individual who will handle disputes regarding hours and pay calculations; and (3) updated whenever new relevant pay codes are added.

Employers must provide the website address to the guide upon an employee's hire and include it on each pay record furnished to employees. Alternatively, employers may comply with the law by providing a written copy of the guide in English and the employee's primary language. Employers using a third-party payroll provider are considered to be in compliance if the vendor provides a payroll guide in compliance with the law.

Employers are not required to establish a website or new pay codes to comply with this law.

New Prevailing Wage Daily Record Requirements

Effective October 1, 2026, employers working on projects subject to Connecticut's prevailing wage laws must complete a daily record of each person performing the work of any mechanic, laborer or worker at a work site. The daily record must include the following: (A) the name and location of the project; (B) the current date; (C) the printed name or signature and, where applicable, trade license number of each person performing such work; and (D) the arrival and departure time to the work site of each person performing such work.

Employers must maintain and preserve the daily records and submit them weekly to the contracting agency, the Department of Economic and Community Development, or the developer of the project. These daily records are public records and subject to inspection and copying under the Connecticut Freedom of Information Act.

Failure to comply with this new filing requirement may subject employers to fines up to $500, imprisonment, or both.

General Contractor Liability for Unpaid Wages

For certain construction contracts entered into on or after January 1, 2027, general contractors, in addition to their subcontractors, will be liable for unpaid wages owed by their subcontractors to employees for labor performed on those contracts. The law applies to contracts for construction, renovation, or rehabilitation in the state. Public works or other contracts by the state, another state, or the federal government are specifically excluded as well as home improvement contracts to build, renovate, or rehabilitate certain types of properties.

While a construction contract may include a provision establishing a remedy for any liability created by nonpayment of wages to the subcontractor's employees, including an agreement that such liability may be paid from monies withheld for retainage, such a provision will not shield a general contractor from a lawsuit brought by the subcontractor's employees against the general contractor. Agreements entered into or renewed after January 1, 2027 that waive or release a general contractor's liability will not be enforceable.

Employees must provide notice of the alleged violation by the subcontractor to the general contractor at least 30 days prior to filing a lawsuit for unpaid wages against the general contractor.

Retention of Service Contract Workers

Effective July 1, 2027, employers with two or more employees, including any municipal or local government, that (1) take over certain service contracts at covered locations, (2) contract out certain services, or (3) receive property in a sale or transfer must retain employees from a prior contractor for at least 90 days if the employees worked during the previous 90 days.

Services by employees consist of: "(i) Care or maintenance services at a covered location, including services performed by a security guard, front-desk worker, janitor, housekeeper, maintenance employee, concierge, door attendant, building superintendent, grounds maintenance worker, stationary fireman, elevator operator or window cleaner; and (ii) Passenger-related security services, cargo and ramp services, in terminal passenger and baggage handling and cleaning services at an airport."

A "covered location" includes the following: (A) multifamily residential building or complex with fifty or more units, (B) a commercial center or complex or office building occupying more than seventy-five thousand square feet, (C) municipal office building or facility, (D) public or nonpublic school, (E) cultural center or complex, including a museum, convention center, arena or performance hall, (F) shopping mall or bank branch, (G) industrial site, (H) pharmaceutical lab, (I) airport, (J) train station, (K) warehouse, distribution center or other facility in which the primary purpose is the storage or distribution of general merchandise, refrigerated goods or other products, and (L) independent institution of higher education.

Within certain timeframes, the successor employer must hand-deliver a written offer of employment to the employees that provides their rights, including employment for 90 days without termination, except for just cause, which is determined solely by the performance or conduct of the particular employee. After 90 days, the successor employer must provide employees with performance evaluations. If performance is satisfactory during this period, the successor employer must extend an offer of continued employment either under terms and conditions the successor employer creates or as required by law. A successor employer is not required to retain employees whose attendance and performance records, while working for the predecessor employer, would lead a reasonably prudent employer to terminate the employee.

The successor employer may determine at any time that it needs fewer employees than the terminated contractor had or at the purchased or acquired property and can lay them off; however, in doing so, it must retain employees by seniority within each job class based on an employee's total length of service at the affected site.

A successor employer who purchased or acquired property must only retain employees (who worked on the property in the 90 days before the sale or transfer) if the services to be performed at that site are substantially the same as the services previously provided by the terminated contractor's employees.

Successor employers who fail to retain or discharge an employee in violation of the law will face penalties of at least $500 and up to $1,000 per employee for each day the violation continues.

Employees may bring a lawsuit in state court or file a complaint with the Connecticut Department of Labor to recover damages, including back pay for each day during which the violation has occurred, reinstatement, compensatory damages, and reasonable attorney's fees and costs.

Public Act 26-15

On June 2, 2026, Governor Lamont signed into law Public Act 26-15, also known as the Connecticut Artificial Intelligence Responsibility and Transparency Act. This law regulates automated employment-related decision technology that processes personal data and uses computation to generate any output, including, but not limited to, any prediction, recommendation, classification, ranking, score or other information, that is a substantial factor used to make or materially influence an employment-related decision.

Various implementation dates for this Act exist, including the following key dates:

- **October 1, 2026:** Amendments to the Connecticut Fair Employment Practices Act ("CFEPA") become effective providing that the use of an automated employment-related decision technology shall not be a defense against a complaint alleging a discriminatory practice in violation of the anti-discrimination sections of CFEPA. The Connecticut Commission on Human Rights and Opportunities or a court may consider evidence of anti-bias testing or similar proactive efforts to avoid the discriminatory practice, including, but not limited to, the quality, efficacy, recency and scope of such testing or efforts, the results of such testing or efforts, and the response to the testing or efforts.

- **October 1, 2026:** Employers who serve written notice to the Connecticut Department of Labor under the federal WARN Act must disclose to the Department of Labor whether the layoffs that are the subject of the written notice are related to the employer's use of artificial intelligence or another technological change.

- **October 1, 2027:** Employers must disclose in plain language to employees or applicants for employment in the state that they are interacting with automated employment-related decision technologies unless it is obvious that they are interacting with such technologies.

- **October 1, 2027:** Employers who use an automated employment-related decision technology to generate any output for the purpose of making, or as a substantial factor in making, an employment-related decision must provide written notice to an employee or applicant for employment in the state before such employment-related decision is made disclosing the following:

    1. The employer has used an automated employment-related decision technology;
    2. The purpose of the automated employment-related decision technology and the nature of such employment-related decision;
    3. The trade name of the automated employment-related decision technology;
    4. The categories of personal data concerning such employee or applicant that the automated employment-related decision technology will analyze or process and how the personal data will be assessed in reaching a decision;
    5. The sources of the personal data described in #4 above; and
    6. The employer's contact information.

Any violation of this law by an employer will constitute an unfair and deceptive trade practice. This law is enforced solely by the Attorney General who may initiate a civil action. No private right of action exists for employees and applicants.

Reminders

Connecticut's Minimum Wage

Effective January 1, 2027, Connecticut's minimum wage will increase to $17.48 per hour.

Form I-9

The importance of carefully and fully completing Form I-9 for each employee is more important than ever. The U.S. Immigration and Customs Enforcement ("ICE") has substantially expanded the types of errors that are classified as substantive violations. Errors that were once considered common have now been identified by ICE in its updated Form I-9 inspection guidance as substantive violations, including missing employee legal names or dates of birth, missing dates by employees in section 1, incomplete or missing employer certifications or representative information in section 2, missing or incomplete document information, and missing immigration status information or work authorization expiration dates where required.

Please call us if you have any questions about this CLIENT ALERT or if we may be of assistance with any other employment matter.