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Reminder: California Adopts Two New Laws Affecting Employers

California has adopted two new laws that employers should be aware of in 2026. Please find information below provided by [Scopelitis, Garvin, Light, Hanson & Feary](#):

1. SB 294, the Workplace Know Your Rights Act

- Requires employers to distribute a notice to employees by **February 1st**, and annually thereafter, describing their rights regarding unionization, immigration, interactions with law enforcement, and other related topics. **The Labor Commissioner** has provided an appropriate notice ([linked here](#)) and plans to re-issue it annually. Employers should make plans to distribute now, when hiring employees, and annually moving forward

1. AB 692, imposing stricter prohibitions on "stay or pay"

- California Code of Regulations Business and Professions [Section 16608](#) prohibits employers from requiring workers to execute an agreement to pay debt if the employment or work relationship ends, including agreements to authorize the collection of or end forbearance on a debt if the employment or work relationship ends, including agreements to authorize the collection of or end forbearance on a debt if the employment or work relationship ends, or to impose a penalty, fee, or cost on a worker if the employment or work relationship terminates
- CTA hosted a compliance webinar featuring Robert Roginson with Ogleetree Deakins Law Firm on December 2nd, 2025 for CTA members to provide an overview of AB 692 and the new prohibitions. You can review the recording of this [webinar here](#) using the **passcode: 8n4Dq!LL**

If you have any questions or would like to speak with legal counsel to ensure your business is compliant, please contact CTA's [legal help desk](#) or contact Hayden Tallman at htallman@caltrux.org.