


# Connecticut Legislative Session Wrap-Up and Other Recent Developments in Employment Law

## **Waterbury Regional Chamber of Commerce Human Resources Council**

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# Disclaimer

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*This information is for educational purposes only to provide general information and a general understanding of the law. It does not constitute legal advice and does not establish any attorney-client relationship*

# Agenda

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- Connecticut Legislative Updates
  - Expansion of FMLA
  - Modification of Paid Sick Leave
  - Unemployment Compensation Reform
  - Prevailing Wage
  - Apprenticeship Ratios
  - Retirement Plan for Employees
  - “Near Misses”
- Reminder....expansion of paid sick leave
- Some Key Developments Under Trump 2.0
  - No Tax on Tips and Overtime, EEOC Changes, Immigration Enforcement, NLRB

# Connecticut Legislative Updates

# Expansion of Connecticut FMLA

## Public Act 25-174 (Effective 10/1/25)

Would expand CT Family and Medical Leave Act (CTFMLA) and CT Paid Family Medical Leave Insurance (CTFMLI) to cover all employees who are not required to be certified at public AND nonpublic elementary and secondary schools in Connecticut



Existing law only covers such employees if agreed by employer and union through collective bargaining



# Expansion of Connecticut FMLA

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## Practical Impact on Private Schools:

- Because most private schools do not require state certification for employees, this law could provide coverage to all employees at such schools (including teachers and administrators)
- Plan for coordination with federal FMLA and to withhold/remit CTFMLI tax



# Modification of Paid Sick Leave

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## Public Act 25-174

- Reminder: paid sick leave (PSL) law requires employers to permit covered employees to use statutory PSL in increments of 1-hour
- Allows municipalities and boards of education to require use of PSL in increments greater than 1-hour (if collectively bargained) for:
  - Police officers
  - Firefighters
  - Public works employees
  - “School employees” as defined by C.G.S. Sec. 53a-65



# Changes to Unemployment Compensation

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## **Public Act 25-117:**

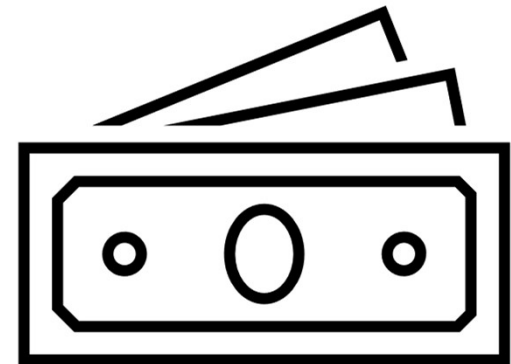
- Reduces time an employer may protest unemployment compensation payments made due to fraud or error—from 60 days to 40 days after receipt of quarterly statement
- Makes the unemployed workers' advocate a full-time state employee position
- Requires physicians, PAs, and APRNs to report suspected occupational diseases to the DOL within 48 hours of discovery
- Eliminates a provision on how employees paid through the Shared Work Program affect their employer's experience rate for purposes of unemployment insurance taxes

**Effective Date: October 1, 2025**

# Prevailing Wage

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- Limits application of prevailing wages on projects receiving Department of Economic and Community Development (DECD) brownfield financial assistance
  - Prevailing wage requirements would only apply to the remediation, demolition or abatement of pollution in the buildings, soil or groundwater portion of the project described in the contract awarded by DECD
- Clarifies which entities are subject to prevailing wage laws
  - “Business organizations” includes, among other entities, public entities such as municipalities, regional councils of government, certified Connecticut Brownfield Land Banks but excludes certain federal tax-exempt organizations that accept DECD financial assistance for a project valued at less than \$10 million unless it is a remediation, demolition or pollution abatement project
- Extends prevailing wage to off-site custom fabrication
- Effective July 1, 2025



## Apprenticeship Ratios

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- Allows the Commissioner of Consumer Protection to allow certain skilled trade licensees (e.g., electrical, plumbing, heating, piping and cooling, sprinkler fitter, sheet metal) to deviate from the standard ratio of 3 journeypersons to 1 apprentice.
- Licensed contractors may apply for “ratio relief” to hire additional apprentices
- Effective October 1, 2025

## MyCT Savings Program

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- Automatic payroll deduction retirement program created in 2016 and launched in 2022
- Employers that already offer their employees one or more qualified retirement plans are exempt from the program, but must still opt out with the State

### Covered Employers

any business, including nonprofits, that had at least five (5) employees who received at least \$5,000 in wages in the prior calendar year

### Eligible Employees

individuals who have worked for a covered employer for at least 120 days and are at least 19 years of age

- Provides for an adjustable default employee payroll deduction of five percent (5%) of the employee's gross pay to a Roth IRA
- Effective July 1, 2025, employers who fail to enroll eligible employees will be subject to fines between \$500 and \$1500
- Effective July 1, 2026, the program will cover personal care attendants who provide personal care assistance under a state-funded program

# “Near Misses”

## Unemployment Benefits for Striking Workers - VETOED

### Public Act 25-64

#### Status:

- Passed both houses
- Long-time goal of organized labor
- Vetoed by Governor Lamont on June 23, 2025

#### Impact:

- Would have made striking workers (in any type of employment) eligible for unemployment benefits after they have been on strike for 14 consecutive days



## Other "Near Misses"

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- Limits on use of non-disclosure and non-disparagement agreements in employment
- Limits on use of non-compete agreements
- Expansion of salary range disclosure requirements
- Paycheck / pay code transparency
- New heat exposure and heat safety standards
- Expand CT Paid Leave to cover bereavement leave



## "Near Misses"

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- Liability of contractors for unpaid wages of employees of subcontractors
- Protections for employees of warehouse distribution centers, including prohibition on production quotas
- Provide 20 hours of paid leave to expectant mothers for prenatal care
- Predictive scheduling
- Regulation of AI

## Remember: Paid Sick Leave Will Cover More Employers

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- Effective January 1, 2026, paid sick leave law will cover employers with at least 11 employees
- 1 hour of accrued sick leave for every 30 hours worked
- Capped at 40 hours
- Broad list of permitted uses of sick leave
- Develop a policy

# Employment Law Developments Under Trump 2.0

## “One Big Beautiful Bill”—No Tax on Overtime

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- Creates an above-the-line deduction for “qualified overtime compensation”
  - “qualified overtime compensation” is the amount that an employer is **required** to pay under federal law to a non-exempt employee above the regular rate (i.e., the half-time)
- Deduction capped at \$12,500 for individual filers and \$25,000 for joint filers.
  - Cap is reduced by \$100 for each \$1000 of income over \$150,000 for single filers and \$300,000 for joint filers.
- Employers must include total amount of qualified overtime compensation as a separate line on the Form W-2
- Does not eliminate payroll taxes (e.g., Social Security and Medicare) on qualified overtime compensation
- Only in effect for 2025-2028 tax years

## “One Big Beautiful Bill”—No Tax on Tips



- Applicable for occupations that customarily received tips before January 1, 2025
- Creates an above-the-line deduction for “qualified tips”
  - “qualified tips” are those tips that are paid voluntarily as determined by the payor and not subject to negotiation
- Deduction is capped at \$25,000
  - Cap is reduced by \$100 for each \$1000 of income over \$150,000 for single filers and \$300,000 for joint filers.
- Employers must include total amount of qualified tips on the Form W-2
- Does not eliminate payroll taxes (e.g., Social Security and Medicare) on qualified tips
- Only in effect for 2025-2028 tax years

# Executive Orders Impacting DEI Initiatives

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**Ends DEI initiatives** across the federal government.

*Executive Order 14151*

Federal government **only recognizes two biological sexes.**

*Executive Order 14168*

**Rescinds affirmative action** requirement (based on race, color, religion, sex and national origin) for certain federal contractors, and **prohibits federal agencies from issuing contracts to private organizations that have illegal DEI programs.**

Trump Administration ordered OFCCP to stop enforcement of Executive Order 11246, which established affirmative action requirements for certain federal contractors and subcontractors

*Executive Order 14173*

**OFCCP Issues Proposal to Rescind EO 11246 Regulations and Modify Section 503 and VEVRAA Regulations**

## DEI Initiatives that May Be Unlawful

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Any DEI program or policy that indicates a “preference” or “workplace balancing” based on a protected characteristic



Quotas



DEI initiatives that take action motivated in whole or in part by protected characteristics

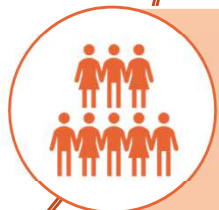
## DEI Initiatives that May Be Unlawful



Diverse slate policies that include diverse hiring panels and candidate pools



Employee resource groups that promote unlawful DEI initiatives or advance recruitment, hiring, preferential benefits (e.g., training or other career development), based on protected characteristics



Any special emphasis program based on a protected characteristic in any term or condition of employment, such as recruiting, interviewing, or other professional development, internships, fellowships, promotion, discipline and termination

# Shifting Priorities

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EEOC hints that it may no longer enforce regulations issued under the Pregnant Workers Fairness Act

EEOC will crackdown on anti-American discrimination

EEOC dropping transgender discrimination cases

- Issuing release of jurisdiction notices for cases in the pipeline
- Dismissed several discrimination lawsuits leaving charging party the option to pursue claim with private attorneys

EEOC instructed by President Trump to de-prioritize enforcement of disparate impact claims

Likely uptick in reverse discrimination claims

## EEOC Updates Harassment Guidance Based on Court Ruling

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### **Texas District Judge Vacated Parts of Biden Era EEOC Guidance on Workplace Harassment**

- Found EEOC exceeded the EEOC's authority
- Guidance impermissibly expanded the scope of "sex" under Title VII
- Guidance impermissibly expanded the definition of "discriminatory harassment" under Title VII to include failure to accommodate a transgender employee's pronoun, dress and bathroom preferences
- Absent Congressional action, the definition of sex under Title VII is limited to "the biological binary: male and female"
- Remaining portions of guidance remain enforceable

# Stricter Enforcement of Immigration Laws

## I-9 Audits

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- Employer must have a completed Form I-9 for every employee hired after November 6, 1986, which establishes identity and authorization to work in the U.S.
- Form I-9 audits reached an all-time high during Trump's first term
  - Anticipated to be even higher during second term
- Prepare for increased enforcement



U.S. Citizenship  
and Immigration  
Services

## Conducting an Internal Audit

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- ✓ **Check your I-9 records.** Ensure each I-9 is properly completed, signed, and dated, and does not contain discrepancies.
  - Common errors include: missing signatures, late completion, incomplete information, expired documents, and using the wrong version.
- ✓ **Consult with legal counsel** to ensure you are conducting the audit strategically (e.g., sampling %, correction process, messaging to employees, memos to attach to forms).
- ✓ **Organize your documents.** Employers typically only have three business days to turn over I-9s. Be able to provide documentation quickly and efficiently to minimize disruptions to the business.
- ✓ **Avoid the scramble by self-auditing.** Employers typically have 10 business days to correct technical errors in the event of an audit.

# ICE Raids / On-Site Investigations

PUBLIC	PRIVATE
<ul style="list-style-type: none"> <li>▪ ICE has authority to approach / question people in public spaces (i.e., lobby or parking area) without a warrant.</li> <li>▪ People still have the right to remain silent and to contact an attorney.</li> </ul>	<ul style="list-style-type: none"> <li>▪ To search or enter a private area, ICE needs a <b><u>valid judicial warrant</u></b> signed by a federal or state judge (or consent).</li> <li>▪ If ICE agents gain access to a private area—through a warrant or consent—they can arrest people if they have a valid warrant for that person or probable cause to believe the person is “removable” from the U.S.</li> </ul>

# Preparing for an ICE Raid / On-Site Investigation

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- **Pick a “Point Person”** and a backup person. Point Person should:
  - Contact legal counsel immediately
  - Manage all interactions with ICE
  - Request and review any warrant
- **If ICE arrives, initial contact person should immediately tell the Point Person.** While waiting for the Point Person, the initial contact person can:
  - Request ID (name, badge/ID number, telephone # and business card)
  - Tell ICE: *This is private property. Our facility does not permit unauthorized individuals, including law enforcement, to enter without a signed judicial warrant. Please wait in a public area while we obtain further guidance.*
- **Informing employees of their rights:** you may remind employees of their right to remain silent, but do not tell employees to refuse to speak.

# Tips for an ICE Raid / On-Site Investigation

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- **If ICE agents present a valid judicial warrant:**
  - ✓ Comply with its terms and keep detailed records.
  - ✓ Give agents access sufficient to detain the person or get the information listed in the warrant.
  - ✓ Work with the agents to minimize disruption.
  - ✓ Object to a search outside the warrant's scope, but don't argue with the agents. Simply state your objection to ICE to make note of it.
  - ✓ Do not block or interfere with ICE activities or the agents.
- **If ICE agents do not have a valid judicial warrant, you may deny them entry to private areas.**
  - ✓ You can say: *We have a policy of denying access without a valid judicial warrant. Please leave the grounds so that there is minimal disruption to our operations.*
- **If ICE agents present an administrative warrant, you may politely decline entry to non-public areas.**
  - ✓ You do not need to provide any information about individuals.

# Major Changes at the NLRB

## Some Key GC Memoranda Rescinded

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### **Pro-labor and employee positions that have been rescinded:**

More expansive interpretation of conduct constituting “mutual aid or protection” and “concerted activity”

Unlawful labor practices (ULP) associated with electronic monitoring and algorithmic management of employees

Limitation on the use of confidentiality and non-disparagement provisions in severance agreements

Finding the proffer, maintenance and enforcement of noncompete agreements and “stay or pay” provisions to be ULPs

The expansion of remedies generally available for ULPs and settlements

# Your Questions?

CARMODY   
TORRANCE | SANDAK | HENNESSEY<sub>LLP</sub>