

California HR Compliance Checklist

For Small & Medium-Sized Businesses • 2026 Edition • Updated August 31, 2026

This 2026 edition replaces the prior 2025 checklist and incorporates material California compliance changes now in effect, including the 2026 minimum wage, the annual Workplace Know Your Rights notice, expanded victim-related leave and paid sick leave uses, current PAGA cure rules, AI/automated-decision employment regulations, workplace violence prevention, indoor heat requirements, and corrected record-retention standards.

2026 — What Changed / What Was Corrected

- **State minimum wage:** \$16.90/hour effective Jan. 1, 2026; general exempt salary threshold is \$70,304/year, subject to duties tests and higher industry-specific rules.
- **New annual notice:** Workplace Know Your Rights Act (SB 294) requires a stand-alone notice to current employees by Feb. 1 each year.
- **Paid sick leave:** remains at least 5 days/40 hours, with expanded permissible uses in 2026 for specified victim/court-related leave.
- **Leave corrections:** Pregnancy Disability Leave applies at 5+ employees; reproductive-loss leave and expanded crime-victim protections are included.
- **Safety:** Workplace Violence Prevention Plan/training/log requirements and indoor heat rules are core checklist items.
- **AI in HR:** California FEHA regulations expressly cover discriminatory use of automated-decision systems and related record retention.
- **Records:** FEHA personnel/employment records generally require at least 4-year retention.
- **PAGA:** 2024 reform changed standing, penalty mitigation and cure procedures.

Risk key: CRITICAL = statutory deadline/high exposure • HIGH = frequent claim/audit trigger • MEDIUM = important control • LOW = annual hygiene

SECTION 01 / CHECKLIST

PAYROLL & WAGE COMPLIANCE

☐ 2026 Minimum Wage & Exempt Salary Threshold

Confirm all employees receive at least the applicable California state, local, and industry-specific minimum wage.

Statewide minimum wage is \$16.90/hour effective January 1, 2026. For common executive/administrative/professional exemptions, the minimum salary threshold is **\$70,304/year** in 2026, plus the applicable duties test.

■ *Check city/county rates and special fast-food/health-care rules separately.*

☐ Itemized Wage Statements (Labor Code §226)

Audit pay stubs for required elements, including gross and net wages, total hours for nonexempt employees, rates and corresponding hours, deductions, inclusive pay-period dates, employee identifying information, and employer legal name/address. Special pay arrangements may add requirements.

■ *Sample a complete payroll quarterly and whenever payroll/HRIS configuration changes.*

☐ Overtime & Regular Rate

California generally requires daily overtime after 8 hours, double time after 12 hours, weekly overtime after 40 hours, and special rules for the seventh consecutive day. Include nondiscretionary bonuses and other remuneration in the regular rate when required.

■ *Do not rely only on federal weekly-overtime logic.*

☐ Meal & Rest Periods

Provide compliant meal and paid rest periods under the applicable Wage Order. A second meal period is generally required for shifts over 10 hours, subject to lawful waivers. Premium pay may be owed for noncompliant meal/rest periods.

■ *Audit late, short, missed and interrupted meals.*

☐ Timekeeping / Off-the-Clock Work

Capture actual compensable time, including pre-shift/post-shift work, required security checks, remote work, and work performed during meal periods. California courts disfavor practices that systematically undercount time.

■ *Use actual time capture where feasible and investigate repeated exact-start clock patterns or manager edits.*

☐ Final Pay

Discharged employees generally must receive all wages due at termination. Employees who quit without at least 72 hours' notice generally must be paid within 72 hours; with at least 72 hours' notice, final wages are generally due at quitting.

■ *Build a same-day termination payroll process.*

☐ Direct Deposit

Treat direct deposit as voluntary and document the employee's authorization. Previously authorized direct deposit generally ends at separation unless the employee has voluntarily authorized final-pay deposit consistent with Labor Code §213(d).

■ *Keep authorization records and do not force a particular financial institution.*

SECTION 02 / CHECKLIST

NEW HIRE, ANNUAL NOTICE & ONBOARDING

**Form I-9**

Employee Section 1 must be completed no later than the first day of employment; employer review/completion generally occurs within 3 business days. Retain I-9s for the federal retention period and keep them separate from general personnel files.

■ *Reverify only when required.*

**Federal W-4 and California DE 4**

Collect current withholding forms from new hires. Use the employee's submitted elections and payroll system rules rather than estimating withholding for the employee.

■ *Store tax forms securely.*

**Notice to Employee — Labor Code §2810.5**

Provide the required wage-theft prevention notice to covered nonexempt employees at hire and update it when required information changes. Use the current DLSE template or a compliant equivalent.

■ *Confirm employer legal name, pay rates, payday, workers' compensation information and paid sick leave disclosure.*

**Workplace Know Your Rights Act — SB 294 (NEW 2026)**

By **February 1, 2026 and annually thereafter**, California employers must provide each current employee a stand-alone workplace-rights notice using the employer's normal employment communication method. The Labor Commissioner publishes an annual template in multiple languages.

■ *Retain proof of distribution and use a language normally used at the workplace.*

**Emergency Contact Designation — SB 294**

The 2026 law includes rules concerning an employee-designated emergency contact if the employee is arrested or detained at the worksite, or in certain job-duty circumstances known to the employer.

■ *Add a narrow emergency-contact designation process and management escalation protocol.*

**Paid Sick Leave Notice**

California paid sick leave remains at least **5 days / 40 hours** under state law, subject to more generous local ordinances. Provide required notice/posting and accurately show available sick leave on wage statements or a same-day document.

■ *Review local ordinances separately.*

**Workers' Compensation New-Hire Materials**

Provide required workers' compensation information and time-of-hire materials, including carrier/MPN information where applicable, and maintain required postings.

■ *Keep injury-reporting instructions easy to access.*

**New Hire Reporting — DE 34**

Report California new hires and rehires to EDD within 20 days as required.

■ *Audit payroll-to-EDD reporting monthly.*

SECTION 03 / CHECKLIST

LEAVE, ACCOMMODATION & EMPLOYEE RIGHTS

☐ **CFRA — 5+ Employees**

Eligible employees of covered employers may receive up to 12 weeks of job-protected CFRA leave for qualifying reasons. CFRA covers a broader family definition than federal FMLA, including a designated person in qualifying circumstances.

■ *Track CFRA separately from FMLA.*

☐ **Pregnancy Disability Leave (PDL) — 5+ Employees**

Employees disabled by pregnancy, childbirth, loss of pregnancy, or related medical conditions may be entitled to up to four months of PDL per pregnancy. There is no 12-month/1,250-hour service requirement for PDL.

■ *The prior checklist's 4+ threshold was incorrect; use 5+.*

☐ **Paid Family Leave (PFL)**

California PFL is an EDD wage-replacement benefit that can provide up to 8 weeks of benefits for qualifying caregiving or bonding. PFL itself is not job protection.

■ *Do not tell employees that PFL automatically guarantees reinstatement.*

☐ **Bereavement Leave — 5+ Employees**

Covered employers must provide eligible employees up to 5 days of bereavement leave for a qualifying family-member death, subject to statutory timing and documentation rules.

■ *Coordinate with available paid leave where permitted.*

☐ **Reproductive Loss Leave — 5+ Employees**

Eligible employees who have worked at least 30 days may receive up to 5 days of protected leave for a qualifying reproductive loss event, generally to be completed within 3 months. Multiple events may result in up to 20 days in a 12-month period.

■ *Keep reproductive-loss information confidential.*

☐ **Victim / Family-Member Leave — 2026 Expansion (AB 406)**

Effective January 1, 2026, California expanded job-protected leave rights for victims of specified crimes and certain family members, including leave for specified judicial proceedings. Paid sick leave may also be used for qualifying purposes.

■ *Update handbook, attendance rules and manager guidance.*

☐ **Disability / Pregnancy Accommodation & Interactive Process**

When the employer knows or should know an employee may need accommodation, promptly engage in a good-faith interactive process and evaluate reasonable accommodation.

■ *Document the process without demanding unnecessary medical details.*

SECTION 04 / CHECKLIST

SAFETY: IIPP, WORKPLACE VIOLENCE & HEAT☐ **Injury & Illness Prevention Program (IIPP)**

Maintain a written, worksite-specific IIPP addressing responsibility, compliance, communication, hazard assessment, correction, training and recordkeeping under Cal/OSHA requirements.

■ *Review after incidents, new equipment/processes or facility changes.*

☐ **Workplace Violence Prevention Plan (WVPP) — Labor Code §6401.9**

Most California employers must maintain a written WVPP, keep a violent-incident log, provide employee training and retain required records. The plan must address workplace-specific hazards, reporting, emergency response, post-incident response and employee involvement.

■ *A generic handbook statement is not a substitute.*

☐ **WVPP Training**

Provide effective workplace-violence prevention training when the plan is first established and at least annually, plus additional training when new hazards or material plan changes occur.

■ *Document date, content, trainer/provider and participation.*

☐ **Indoor Heat Illness Prevention — Title 8 §3396**

The indoor heat standard applies to most indoor work areas when temperature reaches **82°F**. Requirements can include drinking water, cool-down areas, preventative cool-down rest, training, emergency response and a written plan. Additional assessment/control requirements apply at 87°F/heat index 87°F, or at lower thresholds for restrictive clothing/high radiant heat.

■ *Warehouses should treat indoor heat as an operating program.*

☐ **Outdoor Heat — Title 8 §3395**

Covered outdoor work requires potable water, shade/cool-down access, training and emergency procedures; certain high-heat procedures apply at 95°F in specified industries.

■ *Mixed indoor/outdoor worksites may need both programs.*

☐ **Cal/OSHA Injury Reporting & Recordkeeping**

Maintain required OSHA/Cal-OSHA records and report serious occupational injuries/illnesses or fatalities within required timelines. Post Form 300A when covered.

■ *Supervisors should escalate injuries immediately.*

SECTION 05 / CHECKLIST

ANTI-HARASSMENT, PAY EQUITY, FAIR HIRING & AI

☐ **Sexual Harassment Prevention Training — 5+ Employees**

Provide at least 2 hours of training to supervisors and 1 hour to nonsupervisory employees every 2 years, plus required training for new supervisors within 6 months of assumption of supervisory duties.

■ *Use compliant training and retain records.*

☐ **Anti-Harassment / Discrimination / Retaliation Policy**

Maintain and distribute a compliant written policy with multiple complaint channels, investigation commitment, confidentiality limits and non-retaliation protections.

■ *Managers must know where to escalate complaints.*

☐ **Pay Transparency**

Covered employers must comply with pay-scale disclosure requirements, including providing pay scale to current employees for their position upon request; employers with 15+ employees must include the pay scale in job postings.

■ *Ensure recruiters and agencies use the same compliant range.*

☐ **Equal Pay Act — 2026**

California's Equal Pay Act prohibits specified pay disparities and requires pay records to support compliance. 2026 changes expanded protections and the time available for certain unequal-pay claims.

■ *Conduct structured pay-equity reviews.*

☐ **Fair Chance Act — 5+ Employees**

Covered employers generally may not inquire into conviction history before a conditional offer and must follow individualized assessment and notice steps before adverse action based on covered criminal history.

■ *Retain required hiring records for the FEHA retention period.*

☐ **AI / Automated-Decision Systems in Employment**

California FEHA regulations effective October 1, 2025 clarify that employers may violate anti-discrimination law when AI, algorithms or automated-decision systems adversely affect applicants/employees based on protected characteristics. Related employment/automated-decision data is subject to at least 4-year retention.

■ *Inventory AI used in recruiting, screening, scheduling, performance, promotion and termination; require human review and accommodation pathways.*

SECTION 06 / CHECKLIST

RECORDS, PRIVACY & DOCUMENT CONTROL

DOCUMENT TYPE	MINIMUM / PRACTICAL RETENTION	KEY NOTE
Personnel & employment records	Generally at least 4 years	Gov. Code §12946 / FEHA; includes applicant and many employment-decision records.
AI / automated-decision employment data	At least 4 years	Covered by CRD automated-decision regulations.
Payroll records (hours/wages)	At least 3 years	Labor Code §1174; overlapping claims may justify longer retention.
Wage statements / pay stubs	At least 3 years	Labor Code §226.
I-9	3 years after hire or 1 year after termination, whichever is later	Federal rule; store separately.
CFRA/FMLA records	At least 3 years	Keep certifications/designations confidential.
WVPP / safety records	Varies by required record	Follow Labor Code §6401.9 and Cal/OSHA-specific schedules.
Workers' comp records	Varies by record type	Use DWC-specific requirements rather than one blanket period.

Recommended File Architecture

- **Recruiting:** applications, interview notes, selection records, Fair Chance/background-check documentation.
- **Personnel:** offer, job description, acknowledgments, performance and discipline.
- **Payroll/compensation:** pay changes, commission plans, direct-deposit authorization, garnishments.
- **Leave/accommodation:** medical certifications and accommodation records in restricted confidential files.
- **I-9:** separate I-9 file/cabinet.
- **Safety:** IIPP, WVPP, violent-incident log, training, heat plan and OSHA records.
- **AI/vendor governance:** tool inventory, contracts, validation/testing, decision criteria, versions and human-review process.

Privacy & Security

Limit HR file access to job need, use MFA, encrypt sensitive records, maintain secure backups and apply California privacy obligations where applicable.

■ *Do not assume a HIPAA BAA is required merely because a vendor stores ordinary employer HR records; evaluate HIPAA based on the actual covered-entity/health-plan relationship.*

SECTION 07 / CHECKLIST

2026 COMPLIANCE CALENDAR

WHEN	COMPLIANCE TASK	PRIORITY
JAN 1	State minimum wage / exempt salary threshold effective; update state/local/industry wage settings and posters.	CRITICAL
BY FEB 1	Distribute annual Workplace Know Your Rights notice (SB 294); retain proof.	CRITICAL
JAN–FEB	W-2/1099 year-end filings; refresh I-9 audit list; verify harassment-training due dates.	HIGH
QUARTERLY	Audit pay stubs, OT/regular rate, meal/rest premiums, time edits and expense reimbursement.	HIGH
APR 30 / JUL 31 / OCT 31 / JAN 31	EDD quarterly payroll tax filings (DE 9 / DE 9C) as applicable.	CRITICAL
MAY 13, 2026	CRD pay data report due for covered employers with 100+ payroll employees and/or 100+ labor-contractor employees.	CRITICAL
SPRING / SUMMER	Indoor/outdoor heat readiness, temperature monitoring, water/cool-down controls and training.	CRITICAL
ANNUALLY	WVPP training and plan review; review IIPP hazards and corrective actions.	CRITICAL
MID-YEAR	Audit contractors, reimbursements, exemptions, job postings/pay transparency and AI tools.	HIGH
Q4	Refresh handbook for Jan. 1 changes; verify next-year wage/local rates; update posters/notices.	HIGH

Every Payroll / Every Month

- Review new hires: I-9, §2810.5 notice, tax forms, workers' compensation information and DE 34 reporting.
- Review separations before the separation date to ensure final-pay readiness.
- Reconcile timekeeping edits, missed-meal/rest premiums and off-the-clock indicators.
- Track CFRA/PDL/sick leave/accommodation and protected absences separately from ordinary attendance discipline.
- Review complaints, injuries, safety events and workplace-violence reports promptly; there is no universal California rule requiring every HR investigation to start within exactly five business days.

SECTION 08 / CHECKLIST

HIGH-RISK SELF-AUDIT / PAGA EXPOSURE

☐ **Wage Statement Deficiencies**

Confirm all required wage-statement elements and legal employer identity are correct for every payroll entity.

■ *Wage-statement violations may be curable under current PAGA procedures, but cure requirements are detailed and time-sensitive.*

☐ **Meal / Rest / Off-the-Clock**

Identify systemic late meals, short meals, missed rest periods, auto-deductions, pre-shift work and work during unpaid meal periods.

■ *Review manager edits and employee complaints before they become pattern evidence.*

☐ **Expense Reimbursement — Labor Code §2802**

Reimburse necessary business expenses, which may include required personal-phone use, mileage and other employer-required costs.

■ *Maintain a written process employees can use without manager gatekeeping.*

☐ **Independent Contractor Misclassification**

California generally presumes employee status unless an applicable test or exemption supports contractor classification.

■ *Audit 1099 relationships and core-business consultants.*

☐ **PAGA Reform — Current Framework**

For PAGA notices filed on or after June 19, 2024, standing, penalty allocation, mitigation and cure rules changed. Employers that took reasonable compliance steps may qualify for substantial penalty reductions, and more violations can be cured than before.

■ *Employers under 100 employees have a specific LWDA cure-proposal process; escalate PAGA notices immediately to counsel.*

☐ **Documentation of 'Reasonable Steps'**

Current PAGA mitigation makes proactive compliance evidence more valuable: written policies, manager training, audits, corrective action and payroll controls can matter.

■ *Keep dated audit records showing what was reviewed, fixed and when.*

SECTION 09 / CHECKLIST

EMPLOYER SIZE TRIGGERS — QUICK REFERENCE

TRIGGER	COMMON CA REQUIREMENT / ISSUE
1+	Minimum wage, wage/hour, workers' compensation, IIPP, most WVPP requirements, paid sick leave, final pay, expense reimbursement, §2810.5 notice for covered employees, annual Workplace Know Your Rights notice.
5+	FEHA anti-discrimination/harassment; harassment prevention training; CFRA; PDL; bereavement leave; reproductive-loss leave; Fair Chance Act.
15+	Pay scale in job postings, plus other pay-transparency duties.
50+	Federal FMLA may apply when federal employee/worksite eligibility rules are met.
100+	California pay data reporting may apply to payroll employees and separately to labor-contractor employees; federal EEO-1 may also apply depending on coverage.

Industry / Local Rules Still Need a Separate Check

- Local minimum wage and paid sick leave ordinances may exceed state law.
- Fast-food and covered health-care employees can be subject to higher minimum wages and special rules.
- Construction, agriculture, transportation, hospitality, garment and other industries may have additional wage, recall, safety or licensing requirements.
- Union/CBA terms can alter how some rules apply; conduct a separate CBA review.

SECTION 10 / CHECKLIST

OFFICIAL SOURCES & USE NOTES

- **California Department of Industrial Relations / Labor Commissioner:** minimum wage, paid sick leave, wage/hour, workplace postings, Equal Pay Act, PAGA and Workplace Know Your Rights Act.
- **Cal/OSHA:** IIPP, workplace violence prevention, indoor/outdoor heat illness prevention, injury reporting and safety standards.
- **California Civil Rights Department (CRD):** CFRA, PDL, bereavement/reproductive-loss leave, Fair Chance Act, harassment training, pay data reporting and automated-decision system regulations.
- **California Employment Development Department (EDD):** DE 34, payroll tax filings, PFL/SDI and California WARN administration.
- **USCIS / U.S. DOL / EEOC:** I-9, federal postings, FMLA, FLSA and federal anti-discrimination obligations.

Important

- This checklist is an operational HR compliance control for small and mid-sized California employers. It is not a substitute for legal advice.
- It is current through August 31, 2026 based on public agency guidance available as of that date. Laws, regulations, agency forms and local ordinances can change.
- For terminations, wage claims, PAGA notices, class actions, serious Cal/OSHA events, reductions in force, immigration-enforcement events, or complex leave/accommodation disputes, consult qualified employment counsel.

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