ENGAGE PEO

Client Alert

Connecticut Upcoming Changes

Wage Transparency

WHAT'S NEW: Connecticut enacted a wage transparency law, effective on **October 1, 2026.**

WHAT IT MEANS: Under the new law employers are **required** to do the following:

- **Job Postings.** Employers must disclose in internal or public job advertisements the wages or wage range for positions and a general description of benefits to be offered with the positions.
- **Applicants (if position does not have a job posting).** Provide an applicant for employment the wage range for the position for which they are applying as well as a general description of the benefits to be offered either 1) upon the applicant's request or 2) prior to any discussion of compensation with the applicant or an offer of compensation to the applicant- whichever is earlier.
- **Existing Employees.** The wage range and description of benefits must be provided to existing employees 1) at hiring, 2) when the employee's role changes or 3) at the employee's request.

Under the new law, employers are **prohibited** from the following:

- Retaliating or discriminating against an applicant or employee including refusing to interview or hire a prospective employee, refusing to promote an employee or terminating an employee for exercising their rights under the law.

Wage range means the range of wages an employer sets in good faith for a position, and may include reference to any applicable pay scale, previously determined range of wages for the position, actual range of wages for those employees currently holding comparable positions or the employer's budgeted amount for the position.

The law applies for any position which will be performed within Connecticut or for a position in which the duties will be performed outside of Connecticut but the employee performing the duties will report to a supervisor or office located within Connecticut.

WHAT EMPLOYERS SHOULD DO: Employers should review and revise all job posting templates to require input of wage ranges and a general description of benefits offered. Employers should also review all hiring policies and practices and ensure managers are trained and aware of the requirements and prohibitions.

Pay Statements

WHAT'S NEW: Connecticut recently amended its pay statement law affecting employers who employ 100 or more employees. The changes are effective **October 1, 2026.**

WHAT IT MEANS: Under the existing law, all employers are required to furnish to each employee in writing, or electronically (with employee consent) a record of hours worked (for non-exempt employees), the gross earnings showing straight time and over time as separate entries, itemized deductions and net earnings.

The law expands responsibilities **for those employers who employ 100 or more employees**. The additional requirements include:

- Each employer shall create a guide for pay codes for overtime and the employer's most commonly used pay differentials, which may include shift differentials, on-call pay, hazard pay, call-back pay, holiday or weekend pay or geographical pay differentials used by the employer.
- Each guide shall include not less than 10 pay codes and be posted on the employer's internet web site in English, Spanish and other common languages spoken. The guide must also include contact information of the designated office or individual who will handle employee disputes regarding the calculations of hours and pay differentials. An employer must update the guide each time a new pay code is used for overtime or any pay differentials are added by the employer.
- The employer must provide to employees the internet website address where the guide is located:
  - Upon hire; and
  - On each pay record furnished to the employee.

WHAT EMPLOYERS SHOULD DO: A guide including common payroll codes will be accessible on the Engage employee portal. It is also recommended that covered employers issue their own guide to employees to ensure unique employer-specific codes are captured.

Promissory Notes

WHAT'S NEW: Connecticut amended its promissory note law to expand employer coverage. The law voids agreements that require an employee to repay the employer if the employee leaves before a stated period. It was originally only applicable to employers with 26 or more employees and becomes applicable to ALL employers effective on **October 1, 2026.**

WHAT IT MEANS: Employers cannot require as a condition of employment any employee or prospective employee to execute an employment promissory note.

An employment promissory note is defined as "any instrument or agreement executed after October 1, 2026, which requires an employee to pay the employer... a sum of money if the employee leaves such employment before the passage of a stated period of time. An employment promissory note specifically includes agreements to repay costs of training provided to the employee."

Agreements that are NOT prohibited are:

- Those that require the employee to repay money advanced to the employee.
- Those that require the employee to pay the employer for any property it has sold or leased to the employee.
- Those that require educational personnel to comply with any terms or conditions of sabbatical leaves granted by their employers.
- Those entered into as part of a program agreed to by the employer and its employees' collective bargaining representative.

WHAT EMPLOYERS SHOULD DO: Newly covered employers should review any employment agreements or onboarding documents and determine whether any promises to repay are included. Employers must revise such provisions as necessary to comply with the law.

Written Notice of an Employee's Right to Reasonable Accommodation

WHAT'S NEW: Employers must provide written notice to employees of their right to reasonable workplace accommodations. The law becomes effective **October 1, 2026.**

WHAT IT MEANS: Notice of right to reasonable accommodation must be provided notice as follows:

- To new hires at the commencement of employment;
- To existing employees by **January 29, 2027**; and
- To any employee who notifies the employer of their disability within 10 days of the employee's disclosure.

Employers may comply with the above-listed requirements by displaying a poster created by the labor commissioner in a conspicuous place accessible to all employees at the employer's place of business.

WHAT EMPLOYERS SHOULD DO: Employers should track publication of the labor commissioner's poster here and prepare to display the poster in a conspicuous place or create a plan to distribute the notice: a) to existing employees before **January 29, 2027**, b) to new employees at the time of hire, and c) to employees who may need an accommodation.

Enhanced Lactation Accommodation Requirements

WHAT'S NEW: Connecticut expands its lactation accommodation law to expand employer obligations with respect to breastfeeding employees. The law is effective **October 1, 2026.**

WHAT IT MEANS: Existing law provides that employers must allow employees to express milk during regularly scheduled breaks. The amended law requires employers to allow an employee reasonable time to express breast milk **in addition to** regularly scheduled breaks.

WHAT EMPLOYERS SHOULD DO: Employers should update policies and procedures and ensure that managers are trained on the new requirements. A sample policy can be found here.

Artificial Intelligence Law

WHAT'S NEW: Connecticut enacted an artificial intelligence law that includes several requirements for both developers and employers. Many provisions of the law become effective on **October 1, 2026.**

WHAT IT MEANS: The new law includes certain requirements that apply to employers who may use artificial intelligence in making important employment decisions.

Definitions:

"Automated employment-related decision technology (AERDT)" means any 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.

"Employment related decision" means any decision made based on any individual's personal data, to hire, promote, discipline or discharge the individual, to renew the individual's employment, to select the individual for any training or apprenticeship or with respect to the individual's tenure or terms, privileges or conditions of employment.

Key provisions under the law are as follows:

- **WARN Act Notices:** Effective **October 1, 2026**, an employer filing WARN Act notices must disclose whether layoffs are related to the employer's use of artificial intelligence or other technological change.
- **General Use of Automated Employment Related Decision Technology.** If an employer uses one or more automated employment related decision technologies that are intended to interact with an employee or applicant for employment, in Connecticut **(on or after October 1, 2027)**, the employer must disclose to the employee or applicant that they are interacting with such technology, unless it is otherwise obvious.
- **Use of Automated Employment Related Decision Technology for Employment Related Decision.** If an employer uses an automated employment related decision related technology to generate output that is a substantial factor in making an employment-related decision **(on or after October 1, 2027)** before any decision is made the employer must provide a written notice to the affected employee specifying the following:
    - That automated employment-related decision technology is being used.
    - The purpose of the automated employment-related decision technology.
    - The trade name of the automated employment-related decision technology.
    - The categories of personal data concerning the employee/applicant that the automated employment related decision technology will analyze or process and how the data will be assessed.
    - The sources of the personal data.
    - Contact information for the employer.

Notably, the use of automated employment related decision technology is not a defense to a complaint alleging discriminatory practice. Evidence of anti-bias testing or other proactive efforts may be considered.

Violations of the disclosure requirements constitute an unfair or deceptive trade practice.

WHAT EMPLOYERS SHOULD DO: Employers should evaluate any automated employment related decision technologies that they are currently using or plan to use. Employers should review all contracts or documentation specifying developer responsibilities and requirements and determine what assurances the third party can provide. Employers should create and or revise any processes and procedures associated with the use of such technology to include the distribution of the requisite disclosures.

If you have any questions, please contact your HR Business Partner/Consultant.