



Employment Laws That Affect Your Pay, Leave, and Workplace Rights

Understanding Federal Protections and the Growing Role of State Employment Laws

Your Rights May Depend on Where You Work

Suppose two employees perform identical jobs for the same national company. One works in California, while the other works in Texas. Both earn similar salaries, have comparable responsibilities, and follow the same company policies. Yet their legal rights concerning paid sick leave, overtime, and other employment benefits may be considerably different.

How can that be? The answer lies in America's overlapping system of federal, state, and local employment laws. Federal legislation establishes many basic workplace protections, while individual states and municipalities may adopt additional requirements.

Over the past decade, employment laws have evolved considerably, particularly in areas involving paid family leave, workplace accommodations, hiring practices, and wage protections. Understanding these developments can help employees recognize benefits and protections they might otherwise overlook.

Federal Employment Laws Establish the Foundation

Several major federal laws govern the relationship between employers and employees. The Fair Labor Standards Act establishes minimum wage and overtime requirements for covered workers, while Title VII of the Civil Rights Act prohibits employment discrimination based on race, color,

religion, sex, and national origin.

Other important protections include the Americans with Disabilities Act, the Age Discrimination in Employment Act, and the Family and Medical Leave Act. Together, these laws establish important rights involving fair treatment, reasonable accommodations, and time away from work for qualifying family or medical reasons.

However, federal laws do not cover every employer or employee in exactly the same way. Some protections depend on the size of the employer, the nature of the occupation, or the employee's length of service.

Overtime Rules Continue to Evolve

Most covered employees who are not exempt from the Fair Labor Standards Act must receive overtime pay at one and one-half times their regular rate for hours worked beyond 40 in a workweek.

Certain executive, administrative, and professional employees may qualify for exemptions based on their salaries and actual job responsibilities. The federal salary threshold for most of these exemptions is currently \$684 per week, or \$35,568 annually.

The Department of Labor attempted to raise this threshold in 2024, but a federal court subsequently vacated the rule. In May 2026, the department formally restored the earlier regulatory language.

Some states impose higher salary requirements or additional overtime protections. Consequently, an employee who qualifies as exempt under federal standards may still be entitled to overtime under applicable state law.

For a more detailed explanation, see our companion article, **Know the Rules and Regs on Overtime**.

Family and Medical Leave: Federal Versus State Benefits

The federal Family and Medical Leave Act (FMLA) generally provides eligible employees of covered employers with up to 12 weeks of unpaid, job-protected leave during a 12-month period for qualifying family and medical reasons.

These reasons include childbirth, adoption, certain serious health conditions, and caring for qualifying family members. Employees must satisfy eligibility requirements involving length of employment, hours worked, and employer coverage.

But unpaid leave can present a serious financial problem. Many workers cannot afford to go several weeks without receiving a paycheck, even when their jobs are protected.

That limitation has encouraged a growing number of states to establish paid family and medical leave programs. These programs may replace a portion of an employee's wages during qualifying

absences, although eligibility, benefit amounts, and job protections differ.

States Expand Paid Family Leave

Several states provide examples of how employment protections have developed beyond federal requirements.

California has long operated a paid family leave insurance program that provides partial wage replacement for eligible workers taking time off to care for family members or bond with a new child. California also has separate provisions governing certain pregnancy-related disabilities and job-protected family leave.

New York provides eligible employees with paid family leave benefits for qualifying family-care needs, bonding with a new child, and certain military family circumstances. Its program generally allows up to 12 weeks of paid family leave, subject to statutory eligibility and benefit limits.

Colorado operates its Family and Medical Leave Insurance program, commonly called FMLI. The program generally provides eligible workers with up to 12 weeks of paid leave for qualifying reasons, with additional benefits available in certain pregnancy-related circumstances.

Washington and **Oregon** also operate paid family and medical leave programs. Other states, including Minnesota and Maine, have implemented programs in more recent years.

These examples demonstrate why employees should consult their own state labor agencies rather than assume that federal unpaid-leave provisions represent the full extent of their benefits.

Paid Sick Leave Is Another Area of State Protection

Federal law does not generally require private employers to provide paid sick leave to every employee. However, numerous states and local governments have established paid sick leave requirements.

California generally requires covered employers to provide at least five days or 40 hours of paid sick leave annually, whichever is greater, subject to the law's accrual and eligibility provisions. Workers may use this leave for qualifying health needs, preventive care, and certain family responsibilities.

Other jurisdictions have adopted their own sick-leave systems, sometimes allowing leave for circumstances involving domestic violence, sexual assault, or stalking. Such provisions are often called *safe leave*.

Because eligibility and permitted uses vary, employees should examine the laws applicable to their workplace and understand how those requirements interact with employer-provided vacation or paid-time-off policies.

Pregnancy and Workplace Accommodations

Federal protections for pregnant employees have also expanded. The Pregnant Workers Fairness Act, which took effect in 2023, generally requires covered employers to provide reasonable accommodations for known limitations related to pregnancy, childbirth, or related medical conditions, unless doing so would create an undue hardship.

Depending on the circumstances, reasonable accommodations might include additional restroom breaks, modified work schedules, changes to certain physical duties, or adjustments to workplace conditions.

The law also restricts employers from forcing qualified employees to take leave when another reasonable accommodation is available.

These protections are particularly important for workers whose duties involve prolonged standing, lifting, physically demanding assignments, or other activities that may become difficult during pregnancy.

Salary History and Pay Transparency

Traditionally, employers frequently asked job applicants how much they earned in previous positions. Critics argued that this practice could perpetuate historical pay disparities by allowing past compensation to influence future salary offers.

Several states and local jurisdictions now restrict employers from requesting or relying on applicants' salary histories. California, New York, Massachusetts, and other jurisdictions have adopted various restrictions, although their provisions differ.

Pay transparency laws represent another significant development. In states such as Colorado, California, and New York, many employers must disclose salary ranges or other compensation information in covered job postings.

These laws are intended to help applicants make informed decisions and negotiate compensation with greater knowledge of the employer's expectations.

For job seekers, the practical lesson is to research local hiring protections before interviews and understand what compensation information prospective employers must disclose.

Employment Discrimination Protections Continue to Develop

Federal law prohibits numerous forms of employment discrimination, but state and local laws may cover additional characteristics or apply to smaller employers.

For example, some jurisdictions provide broader protections involving sexual orientation, gender identity, marital status, or other characteristics. Federal Title VII protections against

discrimination based on sexual orientation and transgender status were recognized by the U.S. Supreme Court in 2020.

State and local agencies may also establish additional complaint procedures, training requirements, and remedies.

Employees who believe they have experienced unlawful discrimination should determine which federal, state, or local agency has jurisdiction. Filing deadlines can be relatively short, and waiting for an internal workplace investigation to conclude may not preserve every legal claim.

What About Income Taxes and Employee Compensation?

Tax legislation also affects workers, although tax rules should be distinguished from employment protections.

The Tax Cuts and Jobs Act of 2017 significantly changed individual income tax brackets, corporate taxation, and the treatment of certain business income. Subsequent legislation has altered and extended important provisions of the federal tax system.

For employees, changes in tax law can affect take-home pay, withholding, deductions, and the taxation of certain benefits. However, an increase or decrease in after-tax income does not necessarily reflect a change in wages or employment rights.

Workers should review their withholding arrangements when tax laws or personal circumstances change and consult current IRS guidance rather than relying on tax information published in earlier years.

How to Find the Laws That Apply to You

With so many overlapping regulations, determining your employment rights may seem complicated. Fortunately, employees do not need to become legal experts to find reliable information.

Begin with the U.S. Department of Labor for questions about wages, overtime, family leave, and other federal labor standards. The Equal Employment Opportunity Commission provides information about federal discrimination laws and workplace accommodations.

Next, consult your state's labor department or civil rights agency. State websites generally explain local wage requirements, paid leave programs, and procedures for filing complaints.

Finally, review your employer's handbook and written policies. Employers may voluntarily provide benefits more generous than those required by law, and employment contracts or collective bargaining agreements may establish additional rights.

Know Your Rights Before You Need Them

Employment laws are constantly evolving. Federal legislation establishes broad protections, but state and local governments frequently provide additional benefits and safeguards that can make a meaningful difference in employees' lives.

The important lesson is that your rights are not necessarily identical to those of someone performing the same job in another state. Understanding the rules governing your particular workplace can help you make informed decisions about compensation, leave, career opportunities, and fair treatment.

Knowing your workplace rights is not simply a matter of preparing for a dispute. It is part of becoming an informed, confident, and responsible employee.

Editor's Note: Originally published January 3, 2018, and substantially revised in October 2026. This article provides general information about U.S. employment laws. State and local requirements change frequently, and eligibility depends on individual circumstances. Readers should consult official government resources for current requirements.