2025 Employment Law Year in Review: A Transformative Year for Employers in New York, New Jersey, and Across the US

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As 2025 comes to a close, employers faced one of the most active years in recent memory for labor and employment law. Courts revisited agency authority and employee remedies. State and local legislatures reshaped employer obligations from pay transparency to leave entitlements. Federal executive action reframed compliance approaches for DEI, immigration enforcement, and more. And the practical realities of managing risk – across handbooks, payroll systems, training practices, and day-to-day workplace culture – shifted accordingly.

This year's *2025 Employment Law Year in Review* focuses on the changes that mattered most to employers operating in New York, New Jersey, and nationally. It reflects a year defined by recalibrated enforcement power at the federal level, expanding worker protections at the state and local level, and increasingly nuanced standards for employer policies on speech, arbitration, and compensation practices. Below, we preview the themes and concrete developments you will find explored throughout this report, and we close with our forward-looking view of what 2026 is likely to bring and how to prepare now.

What This Year in Review Covers

The report is organized to help practitioners and in-house leaders quickly find actionable guidance, with each article offering practical takeaways, jurisdictional notes, and compliance checklists:

- **Labor Relations and Union Activity:** Federal limits on NLRB remedies; New Jersey's expansion of "captive audience" prohibitions; and the evolving standard for regulating political expression on employee uniforms in customer-facing roles.
- **Wage and Hour:** The Third Circuit's reaffirmation of "actual time worked" principles and implementation guidance for tracking and compensating pre- and post-shift activity.
- **Harassment & Discrimination**: The NJLAD's expanded constraints on non-disparagement provisions; the Supreme Court's equalized Title VII framework for majority-group plaintiffs; and compliance strategies for DEI programming amid heightened scrutiny.
- **Immigration and Worksite Enforcement**: Practical templates for response planning, onsite procedures, and executive-order-sensitive risk management.
- **Arbitration:** Enforceability best practices with an emphasis on presentation, assent, and recordkeeping under New Jersey law.

- **Compensation, Transparency, and Pay Practices:** New Jersey's proposed regulations implementing pay transparency, including scope, range calibration, and enforcement processes.
- **Workplace Relationships:** Policy design, disclosure protocols, and executive contract safeguards to mitigate harassment, retaliation, and reputational risk.

The 2026 Outlook: What to Expect—and How to Prepare Now

In 2026, employers should expect intensified enforcement and continued state and local innovation, with several themes shaping compliance nationwide. Court-imposed limits on NLRB remedies will shift disputes away from agency adjudication and into courts, even as agencies and the EEOC refine guidance and priorities, particularly around harassment, DEI, and algorithmic decision-making.

We further anticipate pay transparency broadening beyond early-adopter jurisdictions, with tighter rules on posted ranges and internal notice practices likely to spread. Wage-and-hour litigation should continue to probe "micro-time" and off-the-clock tasks in both on-site and remote settings.

Leave laws will likely expand and converge as New York City's ESSTA amendments take effect in early 2026. Immigration worksite activity will remain more visible, underscoring the need for response plans and disciplined onsite procedures.

The accelerating use of AI in hiring, scheduling, performance management, and monitoring will draw heightened scrutiny under Title VII, the ADA, and state and local bias-audit regimes, prompting expectations for transparency, validation, and accommodation processes. At the same time, employers should anticipate continued scrutiny of employee speech and dress policies, closer review of arbitration agreements, and attention to executive conduct and conflicts. Pay transparency enforcement, DEI compliance under dual federal-state regimes, and expanding paid leave will require harmonized policies, stronger recordkeeping, and coordinated HR, recruiting, payroll, and legal workflows.

To prepare now, employers should standardize multistate pay-posting templates (with compliant ranges and internal notice workflows), tighten timekeeping for pre/post-shift and remote tasks (policy, training, and system prompts), modernize arbitration agreements, update leave policies for 2026 changes (including New York City's ESSTA), devise a documented immigration response plan with warrant and media protocols, and implement AI governance by inventorying HR tools, embedding vendor and bias-testing requirements, providing notice and human-in-the-loop review, and aligning accommodation processes.

Thank You and the Road Ahead

To our clients and colleagues, thank you for entrusting Porzio Bromberg & Newman with your most important employment matters this year. It has been our privilege to guide you through a fast-changing regulatory environment with practical, business-focused advice. We look forward to partnering with you in 2026 to anticipate risk, strengthen compliance, and support your strategies with clarity and confidence. Here's to another year of progress, preparation, and purposeful leadership.