Rhode Island Legislative Update: New Laws Create Burdensome Requirements on Businesses with Rhode Island Employees

Description

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It is that time of year again, when the Rhode Island legislature ends its session and passes a number of laws that affect businesses with Rhode Island employees. Unfortunately, this year the legislature has passed multiple laws that will increase the already burdensome state-specific requirements on employers, including requiring employee-specific hiring notices for the first time, creating new leave and accommodation obligations, increasing minimum wage, and providing employees the right not to participate in certain employer meetings, amongst other things. The following is a short summary of new laws that will impact your company.

Employment Records Mini-Handbook Requirement (S 0070 SubAaa / H 5679 SubAaa). Effective January 1, 2026.

Like many state laws, the Rhode Island Payment of Wages law, R.I. Gen. Laws § 28-14-12, has long provided that employers keep accurate records of hours worked and wages paid for a period of at least three (3) years.

Starting January 1st, the Payment of Wages law has been drastically expanded to include what the legislators have called a "mini-handbook" requirement. The new law applies to all employers, regardless of size, and a written notice (in English) to be provided to any employee who perform work in Rhode Island at the start of employment, containing the following information:

- 1. The rate or rates of pay and basis thereof, including whether the employee is to be paid by the hour, shift, day, week, salary, piece, commission, or other method, and the specific application of any additional rates;
- 2. Allowances, if any, claimed, pursuant to permitted meals and lodging;
- 3. The employer's policy on sick, vacation, personal leave, holidays, and hours;
- 4. The employee's employment status and whether the employee is exempt from minimum wage and/or overtime;
- 5. A list of deductions that may be made from the employee's pay;
- 6. The number of days in the pay period, the regularly scheduled payday, and the payday on which the employee will receive the first payment of wages earned;
- 7. The legal name of the employer and the operating name of the employer, if different from its legal name;
- 8. The physical address of the employer's main office or principal place of business, and its mailing address if different; and
- 9. The telephone number of the employer.

Employers are required to retain a copy of the notice signed by each employee acknowledging the employee's receipt of the notice. Violators will be fined \$400 for the first and second violation and additional amounts for further violations. The statute specifically says the information has to be in a "a" notice (versus multiple documents) and another jurisdiction's very similar requirement (California Labor Code 2801.5) has been interpreted to require a separate document be given versus relying on the information being contained in a combination of offer letters, handbooks and paystubs. Thus, it appears that employers must now create a new form, tailored to the individual employee's specific situation to comply with the law unless guidance is released to the contrary.

Fair Employment Practices Act Menopause Expansion (S 0361 / H 6161). Effective June 24, 2025.

The current Fair Employment Practice law, *inter alia*, requires that employers with four or more employees reasonably accommodate conditions relating to "pregnancy, childbirth, or a related medical condition". This legislation expands the law to now protect menopause and conditions relating to menopause, such as vasomotor symptoms (e.g., hot flashes and other temperature disfunctions) as a protected condition. The amended law not makes it illegal to (1) refuse to reasonably accommodate a condition related to pregnancy, childbirth, *menopause*, or a related medical condition, unless the employer can demonstrate undue hardship; (2) to require an employee to take leave if another reasonable accommodation can be provided to an employee's condition related to the pregnancy, childbirth, *menopause*, or a related medical condition; or (3) to deny employment opportunities by refusing to reasonably accommodate a condition related to pregnancy, childbirth, *menopause*, or a related medical condition. The law is also expanded to require that the existing notice requirements to include menopause. Specifically, the law now requires that employers provide written notice including the menopause protections in three different instances – upon hire (often in the handbook), in its posters displayed at the worksite, and when the employee notifies the employer of their menopause or related conditions. Employers should update their handbook and posters *now* to include this new change.

Expansion of Race Related Protections (S 0519). Effective July 1, 2025.

The Rhode Island Fair Employment Practices Act, R.I. Gen. Laws § 28-5 (FEPA) and Rhode Island Civil Rights Act R.I. Gen Laws § 42-112) (RICRA) each, *inter alia*, prohibit employers with four or more employees from discriminating against employees working in Rhode Island on various protected classes, include race. This legislation expands both FEPA and RICRA to include a definition of "race" to mean and include "traits historically associated with race, including but not limited to hair, texture and protective hairstyles", and to then define "protected hairstyles" to include hair textures or hairstyles commonly associated with a particular race or national origin, "including a hairstyle in which hair is tightly coiled or tightly curled, locks, cornrows, twists, braids, Bantu knots, and Afros". Employers should also update their handbook to reflect this change in their EEO and nondiscrimination policies.

Employee Free Speech Protection (S 0126 SubA / H 5506 SubA). Effective July 2, 2025.

The Rhode Island Labor Relations Act, R.I. Gen. Laws § 28-7 currently provides employees with, *inter alia*, the right to collectively bargain and protects their right of free association. This legislation expands the act by making it unlawful for an employer to take any adverse employment action against an employee for refusing to attend an employer-sponsored meeting or listen to employer-sponsored communications primarily intended to convey the employer's views on religious or political matters. There are exceptions for certain religious entities, and that law does not prohibit employers from communicating information that it is required by law to communicate or that is necessary for the employee to perform their job. The definition of a "political matter" is broad, including "topics that are unrelated to the employer's business or business activities, such as subjects relating to elections for political office, political parties, proposals to change legislation or regulations which are not directly related to the employer's business, and a decision whether to join or support any political party or political, civic, community, fraternal or labor organization." The reference to decisions about supporting civic or community organizations could reach to communications and meetings not traditionally thought to be "political," such as communications encouraging employees to join nonprofit boards or DEI initiatives that promote civic engagement. While the statute does not prohibit such communications or meetings from occurring, employers

should ensure that supervisors are trained not to retaliate against employees who choose not to attend or who do not respond favorably to the concepts presented.

Minimum Wage (S 0125 SubA / H 5029 SubA).

The current minimum wage for 2025 pursuant to R.I. Gen. Laws § 28-12-3 is \$15 per hour. This legislation sets the minimum wage at \$16 per hour starting on January 1, 2026, and \$17 per hour starting on January 1, 2027. Original versions of this legislation included increases up to \$20 per hour in 2030, so it is expected that similar legislation will be introduced in 2026.

TDI and TCI Expansion (S 0974aa / H 6066 SubA). Effective January 1, 2026.

Temporary Disability Insurance (TDI) and Temporary Caregiver Insurance (TCI) provide wage replacement benefits to Rhode Island-based employees who are unable to work – TDI for the employee's own medical condition, and TCI to care for a family member or bond with a newborn. Subject to certain caps, this legislation increases the benefit rate from the current 4.62% to 5.38% starting on January 1, 2027, and to 5.77% starting on January 1, 2028. The benefit is calculated based on the wages paid to the individual during the highest-earning calendar quarter of their base period. The increase in the benefits may result in employees seeking to remain out of work for a greater period of time.

More importantly, TCI is being expanded to allow for benefits and time off to care for a sibling, defined as a person with a common parent, including biological siblings, halfsiblings, step-siblings, foster siblings, and adopted siblings. Employers with fifty or more employees are cautioned to understand that, like the TCI's inclusion of grandparents in the definition of family members, the inclusion of siblings in the law may result in a total increase of time off as siblings are not included in the definition of family members under the Family Medical Leave Act ("FMLA") or the state counterpart. For example, an employee can take seven weeks off to care for a sibling under the TCI law and then take an additional thirteen weeks off to care for their mother under the Rhode Island counterpart to the FMLA.

TCI Transplant Expansion (S 0829A / H 6065aa). Effective January 1, 2026.

This legislation expands the reasons Rhode Island-based employees may take job protected leave under TCI to include time off related to being a bone marrow or organ donor, such as for procedures, medical test, or surgeries. The leave is limited to five (5) business days for recovery from a bone marrow transplant and thirty (30) business days for organ donation. Notably, because this leave is tied to the employee's own medical condition rather than caregiving responsibilities, it is bewildering that the provision is included as part as TCI instead of TDI. This will undoubtedly cause employers to miss the fact that this sort of leave is job protected.

Non-profit Executive Salary Disclosure (\$ 579 SubA). Effective June 13, 2025.

This legislation adds R.I. Gen. Laws § 22-6-16, requiring any nonprofit entity (regardless of size and location) that receives grants or other funding in excess of fifty thousand dollars (\$50,000) from the Rhode Island General Assembly (whether directly or through the state budget) in a fiscal year to disclose, within ninety (90) days of the receipt of the grant or appropriation, the compensation of every employee who (a) is among the organization's five highest-paid employees and (b) earns at least \$100,000 per year, regardless of work location. For applicable employees, the disclosure must include a description of the position, the total salary or compensation paid, and a detailed summary of all benefits provided. This includes, but is not limited to, health insurance, retirement or pension contributions, and any additional allowances for items such as automobiles, lodging, or communication devices. The names of the individual employees need not be disclosed.

Next Steps

Despite being a small state, Rhode Island continues to expand its already large and unique labor and employment law requirements. Employers are encouraged to stay ahead of these evolving requirements by consulting with trusted legal counsel. The Employment & Labor team at Partridge Snow & Hahn is here to help navigate these changes and answer any questions. To learn more about our services and access helpful resources, visit our Employment & Labor practice page.

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