

Legislative Update Brief | June/July 2026

AT-A-GLANCE SUMMARY

- Virginia is expanding employee protections after the 2026 General Assembly session
- Non-compete agreements will face new limits, especially in health care
- Paid sick leave will expand beyond home health workers
- Virginia's Paid Family and Medical Leave Insurance Program is moving forward
- Wage transparency, minimum wage, and discrimination claim timelines are changing
- Employers should begin policy, payroll, and compliance planning now

**Virginia Employment Law Changes – Big Picture**

Virginia's employment law environment is shifting toward:

- Broader employee protections
- Increased litigation exposure
- More mandated benefits
- Greater employer compliance responsibility
- Less flexibility in certain employer practices

Key takeaway:

These changes are not small policy tweaks. They will affect recruiting, leave administration, wage practices, restrictive covenants, employee relations, and litigation risk.

Unless otherwise noted, most changes take effect July 1, 2026.

**Non-Compete Agreements: Health Care Professionals****HB627 / SB128**

Employers may not enter into, enforce, or threaten to enforce a covenant not to compete with a covered health care professional.

Covered health care professionals include individuals licensed, registered, or certified by the Boards of:

- Medicine
- Nursing
- Counseling
- Optometry
- Psychology
- Social Work

Employer risk:

Violations may result in a civil penalty of **\$10,000 per violation**. Health care professionals may also bring civil actions against employers.

Important limits:

The law does not invalidate agreements entered into or renewed before **July 1, 2026**.

Still generally permitted:

- Nondisclosure agreements
- Non-competes connected to the sale of a business
- Repayment provisions for recruitment-related costs
- Certain customer non-solicitation provisions

Key takeaway:

Health care employers should review all restrictive covenant templates before using them after July 1, 2026.

**Non-Competes: Key Employees and Professionals****SB170**

A covenant not to compete will not be enforceable if an employer discharges an employee without providing severance benefits or another monetary payment that was disclosed when the non-compete was signed.

Exception:

This does not apply if the employee is discharged for cause.

Important limit:

The law does not affect contracts, covenants, or agreements entered into or renewed before **July 1, 2026**.

Key takeaway:

Employers using non-competes should review termination practices, severance language, and how “cause” is defined. Vague language is where compliance goes to die.

**Paid Sick Leave Expansion****HB5 / SB199 / SB372**

Virginia’s paid sick leave requirements are expanding beyond home health workers.

Core requirement:

Employees accrue at least **1 hour of paid sick leave for every 30 hours worked**.

For salaried employees:

Salaried employees are generally assumed to work **40 hours per week** for accrual purposes.

Permitted use includes:

- Employee's physical or mental illness
- Care for a family member
- Services related to domestic abuse, sexual assault, or stalking
- Relocation or securing housing due to domestic abuse, sexual assault, or stalking

Health care-specific exceptions:

Certain health care workers who work no more than 30 hours per month may waive the right to accrue and use paid sick leave. Employers are also not required to provide paid sick leave to certain PRN/as-needed health care workers, regardless of hours worked.

Employer penalties:

Knowing violations may result in civil penalties of:

- Up to \$150 for a first violation
- Up to \$300 for a second violation
- Up to \$500 for each successive violation

Employees may also bring civil actions and may recover double the amount of unpaid sick leave plus actual damages.

Effective date:

The law begins phasing in **July 1, 2027**, with additional implementation by employer size.

Key takeaway:

Employers should review PTO, sick leave, attendance, call-out, documentation, and payroll tracking practices well before 2027.

**Paid Family and Medical Leave Insurance Program****HB1207 / SB2**

Virginia will establish a state-administered Paid Family and Medical Leave Insurance Program through the Virginia Employment Commission.

Program basics:

- Provides paid benefits for qualifying family and medical leave
- Funded through employer and employee premiums
- Benefits may provide up to **80% of the employee's average weekly wage**
- Benefit amount is capped at 100% of the statewide average weekly wage
- Paid leave is capped at **12 weeks in an application year**
- Self-employed individuals may opt into the program
- Employers may apply to use an approved private plan if requirements are met

Timing:

Implementation begins in 2028, with benefit activity rolling into the 2028–2029 period.

Key takeaway:

This will require payroll coordination, leave administration updates, benefit communication, and alignment with FMLA, ADA, STD, and employer medical leave policies.

 Wage and Salary History / Wage Range Posting**SB215 / HB636**

Employers may not:

- Seek a prospective employee's wage or salary history
- Rely on salary history when making hiring or pay decisions
- Refuse to interview, hire, employ, or promote someone because they do not provide salary history
- Retaliate against an applicant or employee for requesting a wage or salary range
- Fail to include a wage, salary, or wage range in public and internal job postings
- Fail to set wage or salary ranges in good faith

Correction period:

Employers have 15 days to correct a violation after notice before legal action may begin.

Potential penalties:

- Up to \$1,000 for a first violation
- Up to \$5,000 for subsequent violations

Key takeaway:

Recruiting teams should review job postings, compensation practices, interview scripts, and internal promotion processes.

 Minimum Wage**SB1 / HB1**

Virginia's minimum wage will increase incrementally.

Schedule:

- \$12.77/hour effective January 1, 2026
- \$13.75/hour effective January 1, 2027
- \$15.00/hour effective January 1, 2028
- Annual CPI-based adjustments begin January 1, 2029

Key takeaway:

Employers should review wage compression, salary bands, budget planning, and entry-level recruitment strategies.



Virginia Human Rights Act Changes

Definition of Employer / Filing Deadline

SB637

The definition of employer for nondiscrimination purposes will include:

- Employers with five or more employees for each working day in 20 or more calendar weeks in the current or preceding year
- Any agent of such employer
- Employers with one or more domestic workers

The filing deadline for complaints with the Office of Civil Rights of the Department of Law extends from **300 days to two years**.

Civil Actions and Local Human Rights Commissions

HB925

Employment discrimination complaints under the Virginia Human Rights Act must be filed no later than **two years** from the date of the alleged discriminatory practice.

If 180 days have passed since a complaint was filed with a local human rights commission, the employee may begin a civil action in general district or circuit court.

Key takeaway:

The longer filing window increases exposure. Documentation discipline matters. Translation: if it is not documented well, it may not age well.



Volunteer Emergency Responders

SB100

Employers may not discharge, discipline, threaten, discriminate against, penalize, or retaliate against an employee solely because the employee misses work while serving as a volunteer emergency responder.

This applies when the employee is actively responding to an emergency alarm or during a state of emergency, provided legal requirements are met.

Employer note:

Employers are not required to pay the employee for missed work time, but employees may use available paid sick leave or other accrued paid leave.

Key takeaway:

Attendance policies should account for protected volunteer emergency responder activity.



Wage Violations

HB238

Virginia law will allow employees to bring civil actions for a broader range of wage violations, including:

- Minimum wage violations
- Overtime violations
- Misclassification
- Other wage-related violations

Courts may award:

- Back wages
- Interest
- Reasonable attorney's fees
- Double damages
- Triple damages for knowing violations

The Attorney General may also investigate and pursue civil enforcement actions.

Good faith defense:

Employers may assert a good faith defense only if the violation is cured within 14 days of notice by paying all unlawfully withheld wages.

Key takeaway:

Payroll accuracy, exemption classifications, timekeeping practices, and contractor classifications need a serious review.

◆ What Leaders Should Do Now

- Review non-compete, non-solicitation, repayment, and confidentiality agreements
- Update recruiting practices to remove salary history questions
- Prepare job postings to include good-faith wage or salary ranges
- Review PTO, paid sick leave, attendance, and leave policies
- Begin planning for Virginia Paid Family and Medical Leave implementation
- Audit wage and hour practices, including overtime, exempt status, and contractor classifications
- Train leaders on documentation, retaliation risk, and protected leave-related issues
- Partner with payroll, legal, benefits, compensation, and HRIS teams early

Tip: Do not wait until the effective date to start planning. That is not a strategy. That is a panic attack with a calendar invite.