

# STATE OF NEW YORK

8931

2025-2026 Regular Sessions

## IN ASSEMBLY

July 16, 2025

Introduced by M. of A. VALDEZ -- read once and referred to the Committee on Labor

AN ACT to amend the labor law, in relation to requiring just cause for employment termination and restricting the use of electronic monitoring for disciplinary purposes

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The labor law is amended by adding a new article 37 to read  
2 as follows:

3 ARTICLE 37

4 WRONGFUL DISCHARGE

5 Section 1060. Definitions.

6 1061. Prohibition on wrongful discharge.

7 1062. Electronic monitoring.

8 1063. Data access and accuracy.

9 1064. Arbitration.

10 1065. Exceptions.

11 § 1060. Definitions. As used in this article, the following terms  
12 shall have the following meanings:

13 1. "Constructive discharge" means the voluntary termination of employ-  
14 ment by an employee due to a situation created by an act or omission of  
15 the employer which a reasonable person would find so intolerable that  
16 voluntary termination is the only reasonable alternative. Constructive  
17 discharge does not mean voluntary termination because of an employer's  
18 refusal to promote the employee or improve wages, responsibilities or  
19 other terms and conditions of employment.

20 2. "Discharge" means any cessation of employment including termi-  
21 nation, constructive discharge, resignation, elimination of the posi-  
22 tion, failure to recall or rehire, layoff, involuntary reduction in  
23 hours, or indefinite suspension.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

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1 3. a. "Just cause" means any reasonable, job-related grounds for an  
2 employee's dismissal based on:

- 3 (i) the employee's failure to satisfactorily perform job duties;  
4 (ii) the employee's willful disruption of the employer's operation  
5 through act or omission;  
6 (iii) the employee's material or repeated violation of an express  
7 provision of the employer's written policies; or  
8 (iv) other legitimate business reasons determined by the employer  
9 while exercising reasonable business judgment.

10 b. The legal use of a consumable product by an employee off the  
11 employer's premises during nonworking hours shall not be a legitimate  
12 business reason; provided, however, that this paragraph shall not apply  
13 to:

- 14 (i) the use of a consumable product that affects in any manner an  
15 employee's ability to perform job-related employment responsibilities or  
16 the safety of other employees;  
17 (ii) an employee who, on a personal basis, has a professional service  
18 contract with an employer and the unique nature of the services provided  
19 authorizes the employer, as part of the service contract, to limit the  
20 use of certain products;  
21 (iii) an employer that is a nonprofit organization that, as one of its  
22 primary purposes or objectives, discourages the use of one or more  
23 lawful products by the general public; or  
24 (iv) an employer that takes action based on the belief that the  
25 employer's actions are permissible under an established substance abuse  
26 or alcohol program or policy, professional contract or collective  
27 bargaining agreement.

28 4. "Probation period" means a defined period of time, not to exceed  
29 thirty days from the first date of work of an employee, within which  
30 employers and employees are not subject to the prohibition on wrongful  
31 discharge set forth in section one thousand sixty-one of this article.

32 5. "Progressive discipline" means a disciplinary system that provides  
33 for a graduated range of reasonable responses to an employee's failure  
34 to satisfactorily perform such employee's job duties, with the discipli-  
35 nary measures ranging from mild to severe, depending on the frequency  
36 and degree of the failure.

37 6. "Reduction in hours" means a reduction in an employee's hours of  
38 work totaling at least fifteen percent of the employee's regular sched-  
39 ule or fifteen percent of any weekly work schedule.

40 7. "Seniority" means a ranking of employees based on length of  
41 service, computed from the first date of work, including any probation-  
42 ary period, unless such service has been interrupted by more than six  
43 months, in which case length of service shall be computed from the date  
44 that service resumed. An absence shall not be deemed an interruption of  
45 service if such absence was the result of military service, illness,  
46 educational leave, leave protected or afforded by law, or any discharge  
47 based on a bona fide economic reason or that is in violation of any  
48 local, state or federal law, including this article.

49 8. "Short-term position" means employment pursuant to a written  
50 contract that specifies that the position is to end after a specified  
51 period of time, not to exceed six months, where the employer can show  
52 that the work or need in question is expected to end.

53 9. "Short-term educational position" means employment with a specific  
54 educational purpose pursuant to written contract that specifies that the  
55 position is to end after a specified period of time, not to exceed three

1 years, where the employer can show that the position in question is  
2 expected to end.

3 10. "Leave of absence" means an employee's absence from work for a  
4 period of more than five consecutive working days for any reason other  
5 than holidays and vacations.

6 11. "Lost wages" means the gross amount of wages that would have been  
7 reported to the internal revenue service as gross income on form W-2 and  
8 includes overtime payments, bonuses, and any additional compensation  
9 deferred at the option of the employee.

10 12. "Bona fide economic reason" means the full or partial closing of  
11 operations or a technological or organizational change to the business  
12 in response to a reduction in volume of production or sales of fifteen  
13 percent or more over a period of two quarters either at the establish-  
14 ment where the discharge is to occur or across all establishments owned  
15 by the employer within the state, but shall not include elimination of  
16 staff redundancy created by a merger or acquisition. Provided, however,  
17 that in the construction industry, where work on a project is inter-  
18 rupted, such interruption shall constitute a bona fide economic reason  
19 for suspending the employment of employees on the project.

20 13. "Bona fide labor organization" means a labor union a. in which  
21 officers have been elected by secret ballot or otherwise in a manner  
22 consistent with federal law; and b. that is free of domination or inter-  
23 ference by any employer and has received no improper assistance or  
24 support from any employer.

25 14. "Biometric data" means a physiological, biological or behavioral  
26 characteristic, including but not limited to an iris scan, fingerprint,  
27 a hand scan, voiceprint and thermal or facial characteristics that can  
28 be used alone or in combination with each other, or with other informa-  
29 tion, to establish an individual's identity.

30 15. "Biometric technology" means: a. a process or system that captures  
31 biometric data of an individual or individuals; and b. a process or  
32 system that can assist in verifying or identifying an individual or  
33 individuals based on biometric data.

34 16. "Employee work speed data" means information an employer collects,  
35 stores, analyzes or interprets relating to an individual employee or  
36 group of employees' pace of work, including, but not limited to, quanti-  
37 ties of tasks performed, quantities of items or materials handled or  
38 produced, rates or speeds of tasks performed, measurements or metrics of  
39 employee performance in relation to a quota, and time categorized as  
40 performing tasks or not performing tasks. Employee work speed data shall  
41 not include qualitative performance assessments, personnel records or  
42 itemized wage statements, except for any content of those records that  
43 includes relevant quantitative employee work speed data.

44 17. "Geofencing technologies" means the use of global positioning  
45 system or radio frequency identification technology to create a virtual  
46 geographic boundary, enabling software to trigger a response when a  
47 device enters or leaves a particular area.

48 § 1061. Prohibition on wrongful discharge. 1. An employer shall not  
49 discharge an employee who has completed such employer's probation period  
50 except for just cause or a bona fide economic reason.

51 2. In determining whether an employee has been discharged for just  
52 cause, the fact finder shall consider, in addition to any other relevant  
53 factors, whether:

54 a. the employee knew or should have known of the employer's policy,  
55 rule, practice or performance standard that is the basis for progressive  
56 discipline or discharge;

1 b. the employer provided relevant and adequate training to the employ-  
2 ee;

3 c. the employer's policy, rule, practice or performance standard,  
4 including the utilization of progressive discipline, was reasonable and  
5 applied consistently;

6 d. the employer impermissibly relied on electronic monitoring, pursu-  
7 ant to section one thousand sixty-two of this article;

8 e. the employer disciplined or discharged the employee based on that  
9 employee's individual performance, irrespective of the performance of  
10 other employees;

11 f. the employer undertook a fair and objective investigation into the  
12 job performance or misconduct; or

13 g. the employee violated the policy, rule or practice, failed to meet  
14 the performance standard or committed the misconduct that is the basis  
15 for progressive discipline or discharge.

16 3. Except where termination is for an egregious failure by the employ-  
17 ee to perform their duties, or for egregious misconduct, a termination  
18 shall not be considered based on just cause unless:

19 a. the employer has utilized progressive discipline; provided, howev-  
20 er, that employer may not rely on discipline issued more than one year  
21 before the purported just cause termination; and

22 b. the employer had a written policy on progressive discipline in  
23 effect at the workplace or job site which was provided to the employee.

24 4. a. Except where termination is for an egregious failure by the  
25 employee to perform their duties, or for egregious misconduct, an  
26 employer shall provide fourteen days' notice of any discharge for just  
27 cause or bona fide economic reason.

28 b. Within five days of notice of termination, the employer shall  
29 provide a written explanation to the employee of the precise reasons for  
30 such employee's discharge including a copy of any materials, personnel  
31 records, data or assessments that the employer used to make the  
32 discharge decision. If the employer is relying on data collected through  
33 electronic monitoring to make the discharge decision, the employer shall  
34 also provide any aggregated data collected on employees performing the  
35 same or similar functions at the same establishment for the six months  
36 prior to the discharge in question.

37 c. In determining whether an employer had just cause for discharge, a  
38 fact finder may not consider any reasons proffered by the employer but  
39 not included in the written explanation provided to the employee, as  
40 required by paragraph b of this subdivision.

41 d. Where an employer fails to timely provide a written explanation to  
42 an employee, the discharge shall be deemed to not be based on just  
43 cause.

44 5. The employer shall bear the burden of proving just cause or a bona  
45 fide economic reason by a preponderance of the evidence in any proceed-  
46 ing brought pursuant to this article, subject to the rules of evidence  
47 as set forth in the civil practice law and rules or the common law,  
48 where applicable.

49 6. In any action or proceeding brought pursuant to article three of  
50 this chapter, if an employer is found to have unlawfully discharged an  
51 employee in violation of this article, relief shall include an order to  
52 reinstate or restore the hours of the employee, unless waived by the  
53 employee, and, in any such proceeding brought pursuant to article three  
54 of this chapter where an employer is found to have unlawfully discharged  
55 an employee in violation of this article, the employer shall be ordered  
56 to pay the reasonable attorneys' fees and costs of the employee.

1 7. A discharge shall not be considered based on a bona fide economic  
2 reason unless supported by an employer's business records showing that  
3 the closing or technological or reorganizational changes are in response  
4 to a reduction in volume of production or sales.

5 8. Discharges of employees based on a bona fide economic reason shall  
6 be done in reverse order of seniority, where practicable, so that  
7 employees with the greatest seniority shall be retained the longest and  
8 reinstated or restored hours first. An employer shall make reasonable  
9 efforts to offer reinstatement or restoration of hours, as applicable,  
10 to any employee discharged based on a bona fide economic reason within  
11 the previous twelve months, if any, before the employer may offer or  
12 distribute shifts to other employees or hire any new employees.

13 § 1062. Electronic monitoring. 1. a. Employers shall not rely on data  
14 collected through electronic monitoring in discharging or disciplining  
15 an employee unless the employer can establish before each use that (i)  
16 there is no other practical means of tracking or assessing employee  
17 performance; (ii) the employer is using the least invasive form of elec-  
18 tronic monitoring available; and (iii) the employer previously provided  
19 notice to the employee of that monitoring as required by this section.

20 b. Employers shall not establish the practical necessity for electron-  
21 ic monitoring without previously filing with the department an impartial  
22 evaluation from an independent auditor that said electronic monitoring  
23 is effective in undertaking its designated task.

24 c. Employers who have established practical necessity for using data  
25 from electronic monitoring for tracking and assessing employee perform-  
26 ance pursuant to this subdivision may not rely solely on such data but  
27 shall also use other means of assessment such as manager observation or  
28 interviewing clients, customers or other employees to solicit feedback.

29 2. Notwithstanding subdivision one of this section, employers may use  
30 data gathered through electronic monitoring:

31 a. to record the beginning or end of a work shift, meal break, or rest  
32 break;

33 b. for non-employment-related purposes;

34 c. to discharge or discipline an employee in cases of egregious  
35 misconduct or involving threats to the health or safety of other  
36 persons; or

37 d. where required by state or federal law.

38 3. Notwithstanding subdivision one of this section, employers may not  
39 use data for discipline or discharge if such data is gathered using  
40 biometric technologies, video or audio recordings within the private  
41 home of an employee, apps or software installed on personal devices or  
42 geofencing technologies.

43 4. a. Notwithstanding subdivision one of this section, when discharg-  
44 ing or disciplining employees, employers may rely on electronic employee  
45 work speed data to determine whether an employee has met a quota, so  
46 long as it measures total output over an increment of time that is no  
47 shorter than one day.

48 b. Employers may not discipline or discharge an employee based on  
49 failure to meet a daily quota if the employee did not complete their  
50 entire shift.

51 5. a. Notwithstanding subdivision one of this section, employers using  
52 electronic monitoring to measure increments of time within a day during  
53 which an employee is or is not meeting performance standards may not  
54 record or rely on such data in discharging or disciplining an employee  
55 unless it is gathered during a periodic performance review and so long

1 as the employee subject to the performance review has been given at  
2 least seven days' advance notice of the exact timing of such review.

3 b. Such reviews can occur not more than once a quarter and can occur  
4 for a duration of time not longer than three hours.

5 6. An employer or agent thereof that is planning to electronically  
6 monitor an employee for the purposes of discipline or discharge shall  
7 provide the employee with notice that electronic monitoring shall occur  
8 prior to conducting each specific form of electronic monitoring, pursu-  
9 ant to section fifty-two-c of the civil rights law. Notice shall  
10 include, at a minimum, the following elements:

11 a. whether the data gathered through electronic monitoring shall be  
12 used to make or inform disciplinary or discharge decisions, and if so,  
13 the nature of that decision, including any associated benchmarks or  
14 performance standards;

15 b. whether the data gathered through electronic monitoring shall be  
16 used to assess employees productivity performance or to set productivity  
17 standards, and if so, how;

18 c. the names of any vendors conducting electronic monitoring on the  
19 employer's behalf;

20 d. a description of the dates, times, and frequency that electronic  
21 monitoring shall occur;

22 e. an explanation for why there is no other practical means of track-  
23 ing or assessing employee performance and how the specific monitoring  
24 practice is the least invasive means available;

25 f. notice of the employee's right to access or correct the data; and

26 g. notice of the administrative and judicial mechanisms available to  
27 challenge the use of electronic monitoring.

28 7. a. Notice of the specific form of electronic monitoring shall be  
29 clear and conspicuous. A notice that states electronic monitoring "may"  
30 take place or that the employer "reserves the right" to monitor shall  
31 not be considered clear and conspicuous.

32 b. An employer who engages in periodic electronic monitoring of  
33 employees for the purposes of discipline or discharge shall inform the  
34 affected employees of the specific events which are being monitored at  
35 the time the monitoring takes place.

36 c. Notice of periodic electronic monitoring may be given after elec-  
37 tronic monitoring has occurred only if necessary to preserve the integ-  
38 egrity of an investigation of illegal activity or protect the immediate  
39 safety of employees, customers or the public.

40 d. An employer shall provide additional notice to employees when an  
41 update or change is made to the electronic monitoring or in how the  
42 employer is using such electronic monitoring.

43 8. Employers shall provide a copy of the disclosures required by this  
44 section to the department at the time they are required to be dissem-  
45 inated to employees.

46 § 1063. Data access and accuracy. 1. An employer shall ensure that any  
47 data collected through electronic monitoring pursuant to section one  
48 thousand sixty-two of this article that may be used for the purposes of  
49 discipline or discharge is accurate and kept up to date, where relevant.

50 2. A current employee shall have the right to request a copy of  
51 employee work speed data that could be used for the purposes of disci-  
52 pline and termination at least once every seven days.

53 3. a. Employers using electronic monitoring to collect employee work  
54 speed data for the purposes of discipline or discharge shall provide  
55 employees the opportunity to supplement such data to record any incre-  
56 ments of time during which they are not performing work-related tasks

1 and to record the reason that they are not performing work-related tasks  
2 during that time. Such opportunity shall be made available to employees  
3 both at the time of data collection and after.

4 b. Employers shall give employees the option to record reasons for not  
5 performing tasks that include, but are not limited to using the rest-  
6 room, taking meal breaks, injury, illness, fear of injury, disability  
7 accommodations, responding to an emergency, complying with local, state  
8 or federal laws or exercising workplace rights under local, state or  
9 federal laws.

10 c. An employer that receives an employee request to correct inaccurate  
11 data that was collected through electronic monitoring shall investigate  
12 and determine whether such data is inaccurate.

13 d. If an employer, upon investigation, determines that such data is  
14 inaccurate, the employer shall:

15 (i) promptly correct the inaccurate data and inform the employee of  
16 the employer's decision and action.

17 (ii) review and adjust, as appropriate, any disciplinary or discharge  
18 decisions that were partially or solely based on the inaccurate data and  
19 inform the employee of the adjustment.

20 (iii) inform any third parties with which the employer shared the  
21 inaccurate data, or from which the employer received the inaccurate  
22 data, and direct such third party to correct the data, if applicable,  
23 and provide the employee with notice of such action.

24 e. If an employer, upon investigation, determines that the data is  
25 accurate, the employer shall inform the employee of the following:

26 (i) the decision not to amend the data.

27 (ii) the steps taken to verify the accuracy of the data and the  
28 evidence supporting the decision not to amend the data.

29 § 1064. Arbitration. 1. On or after January first, two thousand twen-  
30 ty-six, any person or organization representing persons alleging a  
31 violation of this article by an employer may bring an arbitration  
32 proceeding. In addition, the department may, to the extent permitted by  
33 any applicable law including the civil practice law and rules, provide  
34 by rule for persons bringing such a proceeding to serve as a represen-  
35 tative party on behalf of all members of a class. Such a proceeding  
36 shall be brought within two years of the date of the alleged violation.  
37 If the arbitrator finds that the employer violated the provisions of  
38 this article, such arbitrator shall:

39 a. require the employer to pay the reasonable attorneys' fees and  
40 costs of the employee;

41 b. require the employer to reinstate or restore the hours of the  
42 employee, unless such employee waives reinstatement;

43 c. require the employer to pay the state for the costs of the arbi-  
44 tration proceeding; and

45 d. award all other appropriate equitable relief, which may include  
46 back pay and rescission of discipline, in addition to other relief, and  
47 such other compensatory damages or injunctive relief as may be appropri-  
48 ate.

49 2. A person or organization bringing an arbitration proceeding under  
50 subdivision one of this section shall serve the arbitration demand, and  
51 any amendments thereto, on the employer either in person or via certi-  
52 fied mail at the current or most recent workplace or job site where each  
53 employee named in the arbitration demand is or was employed, or pursuant  
54 to the rules for service specified in article three of the civil prac-  
55 tice law and rules. Such arbitration demand shall include a general

1 description of each alleged violation but need not reference the precise  
2 section of law alleged to have been violated.

3 3. The parties to an arbitration proceeding shall jointly select the  
4 arbitrator from a panel of arbitrators. The number of arbitrators on the  
5 panel shall be determined by the department. The arbitrators on the  
6 panel shall be chosen by a committee of eight participants established  
7 by the department and comprised of:

8 a. four employee-side representatives, including employees or advo-  
9 cates; and

10 b. four employer-side representatives, including employers or advo-  
11 cates.

12 4. If an insufficient number of employee-side and employer-side repre-  
13 sentatives agree to participate in the committee pursuant to subdivision  
14 three of this section, the department shall consult with those that have  
15 agreed to participate and select individuals to fill the requisite  
16 number of openings on the committee.

17 5. If the committee established pursuant to subdivision three of this  
18 section is unable to select a sufficient number of arbitrators for the  
19 panel, the department shall select the remaining arbitrators.

20 6. If the parties are unable to agree on an arbitrator, the department  
21 shall select an arbitrator for the panel.

22 7. The department shall provide interpretation services to any party  
23 requiring such services for the arbitration hearing.

24 8. The arbitration hearing shall be held at a location designated by  
25 the department or a location agreed upon by the parties and the arbitra-  
26 tor. Except as otherwise provided in this chapter, such arbitration  
27 shall be subject to the labor arbitration rules established by the Amer-  
28 ican Arbitration Association and the rules promulgated by the department  
29 to implement this article. In case of a conflict between the rules of  
30 the American Arbitration Association and the rules of the department,  
31 the rules of the department shall govern. Any rules promulgated by the  
32 department implementing this section shall be consistent with the  
33 requirement that in any arbitration conducted pursuant to this section,  
34 the arbitrator shall have appropriate qualifications and maintain  
35 personal objectivity, and each party shall have the right to present its  
36 case, which shall include the right to be in attendance during any pres-  
37 entation made by the other party and the opportunity to rebut or refute  
38 such presentation.

39 9. If an employee brings an arbitration proceeding, arbitration shall  
40 be the exclusive remedy for the wrongful discharge dispute and there  
41 shall be no right to bring or continue a private cause of action or  
42 administrative complaint under this article, unless such arbitration  
43 proceeding has been withdrawn or dismissed without prejudice.

44 10. Each party shall have the right to apply to a court of competent  
45 jurisdiction for the confirmation, modification or vacatur of an award  
46 pursuant to article seventy-five of the civil practice law and rules, as  
47 such article applies, to review of legally mandated arbitration  
48 proceedings in accordance with standards of due process.

49 § 1065. Exceptions. This article shall not: 1. apply to any employee  
50 who is:

51 a. currently employed within a probation period;

52 b. employed in a short-term position and discharged at the end of the  
53 contract of employment, provided that the employer does not hire another  
54 employee to perform substantially similar work for one hundred eighty  
55 days after the end of the short-term contract;

1 c. in a short-term educational position at the end of the contract of  
2 employment; or

3 d. covered by a valid collective bargaining agreement; or  
4 2. limit or otherwise affect the applicability of any right or benefit  
5 conferred upon or afforded to an employee by the provisions of any other  
6 law, regulation, rule, requirement, policy or standard including but not  
7 limited to any federal, state or local law providing for protections  
8 against retaliation or discrimination.

9 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-  
10 sion, section or part of this act shall be adjudged by any court of  
11 competent jurisdiction to be invalid, such judgment shall not affect,  
12 impair, or invalidate the remainder thereof, but shall be confined in  
13 its operation to the clause, sentence, paragraph, subdivision, section  
14 or part thereof directly involved in the controversy in which such judg-  
15 ment shall have been rendered. It is hereby declared to be the intent of  
16 the legislature that this act would have been enacted even if such  
17 invalid provisions had not been included herein.

18 § 3. This act shall take effect on the ninetieth day after it shall  
19 have become a law. Effective immediately, the addition, amendment and/or  
20 repeal of any rule or regulation necessary for the implementation of  
21 this act on its effective date are authorized to be made and completed  
22 on or before such effective date.