

STATE OF NEW YORK

9641

IN ASSEMBLY

January 21, 2026

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

AN ACT to amend the labor law, in relation to prohibiting algorithmic wage-setting

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 20-D to
2 read as follows:

ARTICLE 20-D

ALGORITHMIC WAGE-SETTING

Section 750. Definitions.

6 751. Prohibition of algorithmic wage-setting.

7 752. Publication of procedures.

8 753. Rules and regulations.

9 754. Application of other laws.

10 755. Enforcement; civil penalties; private right of action.

11 § 750. Definitions. For the purposes of this article, the following
12 terms shall have the following meanings:

13 1. "Automated decision system" means a system, software, or process
14 that uses computation, the result of which is used to assist or replace
15 human decision-making, including, but not limited to, a system, soft-
16 ware, or process derived from machine learning, statistics, or other
17 data processing or artificial intelligence techniques.

18 2. "Algorithmic wage-setting" means using an automated decision system
19 to inform individualized wages based on surveillance data regarding an
20 employee, including but not limited to, the use of real-time data to
21 automate workforce compensation structures, or to automate wage calcu-
22 lations. "Algorithmic wage-setting" shall not include an employer's
23 decision not to hire an individual who has not previously been an
24 employee of such employer directly or through such employer's affiliates
25 or subsidiaries.

26 3. "Surveillance data" means data obtained through observation, infer-
27 ence, or surveillance of an employee that is related to personal charac-

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

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1 teristics, behaviors, or biometrics of such employee, or a group, band,
2 class, or tier in which such employee belongs.

3 § 751. Prohibition of algorithmic wage-setting. 1. No employer shall
4 engage in algorithmic wage-setting.

5 2. An employer shall be deemed not to have engaged in algorithmic
6 wage-setting otherwise prohibited pursuant to subdivision one of this
7 section if such employer demonstrates that:

8 (a) such employer offers individualized wages based solely on:

9 (i) data specific to individual employees that is directly related to
10 the tasks such employees are hired to perform; or

11 (ii) differences in the cost to the employees of providing labor for
12 such employer; and

13 (b) such employer discloses in plain language before hiring employees
14 to perform work, and to all employees whose wages are set in whole or in
15 part through an automated decision system, what data is considered and
16 how such automated decision system considers such data.

17 § 752. Publication of procedures. Pursuant to procedures as shall be
18 specified by the attorney general, an employer that uses an automated
19 decision system to assist or replace human decision-making related to
20 wages or prices, as authorized pursuant to subdivision two of section
21 seven hundred fifty-one of this article, shall develop and publish
22 reasonable procedures:

23 1. to ensure the accuracy of all data considered by such automated
24 decision system;

25 2. to allow an employee to correct or challenge the accuracy of data
26 considered by such automated decision system; and

27 3. for employees to request and receive information regarding what
28 data is considered and how automated decision-making considered such
29 data when setting particular wages.

30 § 753. Rules and regulations. The attorney general shall adopt rules
31 and regulations necessary for the implementation of the provisions of
32 this article.

33 § 754. Application of other laws. The provisions of this article shall
34 not supersede or invalidate any other laws of this state to the contra-
35 ry.

36 § 755. Enforcement; civil penalties; private right of action. 1. (a)
37 An employer who violates any provision of this article shall be liable
38 for a civil penalty not to exceed ten thousand dollars for each
39 violation. A violation with respect to each employee shall constitute a
40 separate violation.

41 (b) Civil penalties collected pursuant to paragraph (a) of this subdi-
42 vision shall be paid to the general fund of the state.

43 (c) The attorney general may be awarded costs and attorney fees with
44 respect to the prosecution of any violation pursuant to this section.

45 2. In addition to other remedies provided under law, a person
46 aggrieved by a violation of this article may bring a civil action on
47 behalf of themselves or a group of similarly situated persons to
48 restrain further violations and to recover damages, costs, and reason-
49 able attorney fees, including:

50 (a) the greater of:

51 (i) the amount of actual damages sustained, including prejudgment
52 interest of eight percent per year from the date on which the claim
53 accrued; or

54 (ii) three thousand dollars for each violation of this article, with
55 each violation of this article constituting a separate violation with
56 respect to each employee; or

1 (b) if it is established by clear and convincing evidence that the
2 employer violating this article engaged in bad faith conduct or inten-
3 tionally violated this article, three times the amount of actual damages
4 sustained.

5 § 2. This act shall take effect on the ninetieth day after it shall
6 have become a law. Effective immediately, the addition, amendment and/or
7 repeal of any rule or regulation necessary for the implementation of
8 this act on its effective date are authorized to be made and completed
9 on or before such effective date.