STATE OF NEW YORK

8872

IN SENATE

January 13, 2026

Introduced by Sen. MAY -- read twice and ordered printed, and when printed to be committed 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:

Section 1. The labor law is amended by adding a new article 20-D to read as follows:

ARTICLE 20-D

ALGORITHMIC WAGE-SETTING

Section 750. Definitions.
751. Prohibition of algorithmic wage-setting.
752. Publication of procedures.
753. Rules and regulations.
754. Application of other laws.
755. Enforcement; civil penalties; private right of action.

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

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

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

3. "Surveillance data" means data obtained through observation, inference, 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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teristics, behaviors, or biometrics of such employee, or a group, band, class, or tier in which such employee belongs.

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

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

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

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

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

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

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

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

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

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

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

§ 754. Application of other laws. The provisions of this article shall not supersede or invalidate any other laws of this state to the contrary.

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

(b) Civil penalties collected pursuant to paragraph (a) of this subdivision shall be paid to the general fund of the state.

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

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

(a) the greater of:

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

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

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

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