

New York Trapped at Work Act

On December 19, 2025, New York Governor Kathy Hochul signed [AB 584](#), known as the Trapped at Work Act (the “Act”) into law. The Act prohibits employers from requiring employment promissory notes, or other similar agreements that impose financial obligations to employees if they leave employment before a certain time period has passed.

Employers Impacted: Employers with one or more employees performing work in New York.

Effective Date: December 19, 2025.

Suggested Actions:

- Review employment-related agreements, templates, and related documents for prohibited repayment obligations. If you have any existing agreements that include employment promissory notes as defined below, work with employment counsel to adjust them as necessary.
- Review training related materials to ensure there are no prohibited repayment obligations.
- Notify supervisors and HR staff of the prohibitions under the Act as they may be involved in hiring negotiations.
- The New York State Assembly has proposed an amendment to this Act, which would include substantive changes to current provisions and pushing the effective date to December 19, 2026. Be on the lookout for updates from TriNet regarding the amendment, should it pass.

Definitions:

Review these definitions under the Act:

- **Worker:** Includes employees, independent contractors, interns, externs, volunteers, apprentices, and sole proprietors providing services.
- **Employer:** Any entity that provides training to workers.

Summary:

The Act prohibits employers, as a condition of employment, from imposing any employment promissory note or similar agreement that requires a worker to pay the employer, or the employer’s agent or assignee, a sum of money if the worker leaves before a specified time or labels repayment as reimbursement for employer provided training.

The Act excludes the following as part the prohibition:

- Repayment of payroll advances not related to training.
- Payment for employer provided property sold or leased to the worker.
- Sabbatical leave agreements for educational personnel.
- Programs agreed to as part of a collective bargaining agreement.

Employers who fail to comply with the Act may be subject to penalties of \$1,000 to \$5,000 per violation from the New York State Department of Labor as well as attorneys’

fees for workers who successfully defend against the enforcement of a void agreement. Notably, there is no private right of action, meaning employees cannot directly sue their employers for any prohibited agreements to obtain the penalty payments, only to defend against enforcement of prohibited agreements.

For questions, log in to TriNet (login.TriNet.com) and go to the Administrator Dashboard. Use the “Contact HR Plus Support” Quick Link to connect with an HR Advisor. If you have an assigned HR Manager, you may also reach out to them directly or through the “Contact HR Plus Support” link.

© 2026 TriNet Group, Inc. All rights reserved. This communication is for informational purposes only, is not legal, tax or accounting advice, and is not an offer to sell, buy or procure insurance. TriNet is the single-employer sponsor of all its benefit plans, which does not include Enrich products and voluntary benefits that are not ERISA-covered group health insurance plans and enrollment is voluntary. Official plan documents always control and TriNet reserves the right to amend the benefit plans or change the offerings and deadlines.

This communication may contain hyperlinks to websites operated by parties other than TriNet. Such hyperlinks are provided for reference only. TriNet does not control such web sites and is not responsible for their content. Inclusion of such hyperlinks in this communication does not necessarily imply any endorsement of the material or association with their operators.

C-25DEC-70

