

COLUMNS

# New laws in 2024 that affect luxury brands: are you ready?

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By **Rania V. Sedhom**

It's that time of year time to set New Year's resolutions for yourself and your business.

Many fashion brands are stating that they will embrace sustainability, diversity and more. Many resolutions allow people and businesses to forget the past and look to the better future.

However, several new laws will force leaders to disallow the past to stay in the past.

## **The Golden State**

In California, the state is requiring companies, including luxury brands, to advise current and former employees, no later than Feb. 14, 2024, that the noncompete that applied to them is now voided. Noncompetes are valid in limited circumstances, but mostly disallowed in California.

Therefore, it is important to audit current employment contracts, offer letters, severance agreements and standalone contracts to determine whether you have an obligation to notify current or former employees.

Often employment-related agreements utilize mandatory arbitration clauses. However, at the start of the new year, those clauses will be unenforceable in California.

In California, effective on Jan. 1, 2024, use of cannabis during non-work hours is protected, as employers will be prohibited from discriminating against, or changing the terms and conditions of employment of employees who utilize cannabis off hours (an exception exists for those in the building and construction trades, likely due to safety concerns).

That leads to the new workplace health and safety requirement in California where luxury brands and other companies will have to create a workplace violence prevention policy and conduct training related thereto for all employees.

## **Midwest moves**

California is not the only state creating new mandates. Illinois has new leave of absence rules.

Effective Jan. 1, 2024, some Illinois employers will be required to provide leaves of absence for those grieving the loss of a relative killed in a crime of violence, or the loss of a child to homicide or suicide. Eligible employees will also be entitled to up to

10 days of paid leave for organ donations.

Finally, Illinois created a mandatory PTO policy which affords employees up to 40 hours of paid leave to be used for any reason, accrued at the rate of one hour for every 30 hours worked. The leave can also be frontloaded.

### **New York, new rules**

The final notable law comes from the State of New York which, effective March 12, 2024, prohibits luxury brands and other employers from requiring employees and job applicants to disclose their usernames and passwords for personal accounts email, social media, etc.

What can luxury brands do to prepare for the future without forgetting the past? Read above.

Please note that it is beyond the scope of this article to list all new laws taking effect in 2024.

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