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Employer Pressing Issues

Recruiting and retention - This is still one of the biggest operational problems. Delaware employers are competing for experienced workers, particularly in healthcare, skilled trades, technical roles, finance/accounting, and management. The challenge is increasingly finding the right person and keeping them, rather than simply generating applicants.

Employers should be watching:

- Time-to-fill by position
- Turnover by manager/department
- Pay competitiveness
- New-hire failure/turnover within 90 days
- Internal promotion opportunities
- Employee engagement

Practical priority: Don't automatically respond to hiring difficulty by raising starting pay. First compare your total compensation, schedule, workload, and career path against the local market.

Delaware Paid Leave implementation - This is probably the most immediate Delaware-specific compliance issue. Delaware Paid Leave went fully live January 1, 2026, meaning employees can now actually submit claims. Most employers with 10+ Delaware employees are covered; employers with 10–24 employees generally have parental coverage, while 25+ employees have full coverage.

Employers need to make sure:

- Payroll deductions/contributions are correct
- Employee eligibility is tracked
- Leave requests are handled correctly
- FMLI/PFML and FMLA are coordinated
- Managers know when to refer an absence to HR
- Required notices are provided
- Quarterly wage/hour reports are accurate

Delaware requires participating employers to file quarterly Hours & Wage reports, with reports and payments due 30 days after each quarter.

2027 Pay Raises Expected to Hold Largely Flat Amid Cost Pressures *by Kathryn Mayer*

A pair of new surveys suggests that salary increases in 2027 will decline modestly from 2026 levels but remain largely stable overall.

Data from consulting firm WTW shows that average salary increase budgets for U.S. companies in 2027 are expected to average 3.4%, down slightly from the actual 3.5% increase budget reported for 2026, according to its survey of more than 34,000 companies across 156 countries, including 1,650 in the U.S.

Similarly, Gallagher's 2026/2027 Salary Survey, which included approximately 1,180 employers, found that salary budget increases are stabilizing at between 3% and 3.5% annually. The findings reflect a return to more typical compensation planning after several years of elevated pay increases during the pandemic-era labor market.

Overall, employers are taking a more cautious approach to salary planning, citing cost management pressures, a tight labor market, and inflationary concerns, according to the surveys.

Experts say employers are becoming increasingly strategic in how they allocate pay increases, shifting away from broad, across-the-board raises in favor of targeted, merit-based increases for top performers and employees in critical roles.

"Salary budgets may be holding steady, but the way organizations are using those dollars is changing significantly," said Brittany Innes, senior director, rewards data intelligence, at WTW. "Employers are moving away from broad-based increases and toward more precise, performance-driven pay strategies that target the roles, skills and talent segments that matter most."

Gallagher also found that merit continues to be the primary driver of pay increases, particularly for large employers.

Salary Concerns Persist - The new data on pay comes amid rising employee concerns over whether wages can keep pace with the cost of living. Nearly half of working Americans (49%) say they do not believe their wages will ever catch up with the rising cost of living, while another 32% say it will take many years, according to a 2026 financial outlook from San Francisco-based career platform Resume Now. Fewer than one in five workers (19%) believe their wages will catch up with inflation in 2026.

The findings underscore the growing disconnect between employer salary budgets and employee expectations as inflation continues to strain household finances.

About 7 in 10 workers (69%) feel underpaid, with just 2% believing they are overpaid, according to Resume Now.

“Workers are telling us something critical: They’re not just stretched thin; they’re losing hope,” said Keith Spencer, career expert at Resume Now.

Navigating salary decisions has been difficult for many organizations. While employees continue to grapple with higher living costs and persistent inflation, employers are also facing rising operating expenses and ongoing economic uncertainty, making compensation decisions increasingly challenging.

Compensation experts say that even if meaningful pay raises are off the table, employers should be transparent about how compensation decisions are made.

“Employees want to know how pay decisions are made,” Carrie Cavanaugh, SHRM-SCP, senior HR consultant at HR consulting firm Find Great People, said June 18 at SHRM26. "Transparency builds trust, even when budgets are tight,” she said. “And when there’s no money for pay raises, we have to say that too.”

Employees want answers to several key questions about compensation, including how pay decisions are made; why people in similar roles may earn differently; what growth looks like over time; and what they can do to increase their earnings over time.

Organizations should be prepared to answer those questions honestly, Cavanaugh said. Employees may not always like the answer, but they are more likely to trust decisions that are explained clearly and consistently.

2026 Compliance Calander

This is a practical 2026 HR Compliance Calendar for Delaware Employers for the balance of the year focused on the recurring federal and Delaware requirements.

Deadline	Requirement	Who/What
Aug. 1–Sept. 30	**VETS-4212** filing period	Covered federal contractors
Sept. 30	**VETS-4212 deadline**	Covered federal contractors
Oct. 30	Delaware Paid Leave Q3 report/payment	Participating employers
Oct. 31	Form 941 — Q3	Most employers
Nov./Dec.	Review ACA, benefits, payroll and annual notices	Employers subject to applicable requirements
Jan. 31, 2027	Delaware Paid Leave Q4 2026 report/payment	Participating employers

A few important 2026 updates

VETS-4212 is due September 30, 2026 - If you're a covered federal contractor or subcontractor, the 2026 filing window is August 1 through September 30. The DOL specifically says reports must be submitted no later than September 30.

EEO-1 is in flux - This one deserves special attention. The EEOC announced in July 2026 that it is proposing to rescind the annual EEO-1 reporting requirement. That is a proposed rule, however, and not necessarily an immediate elimination of the requirement. So, I would keep EEO-1 on your compliance calendar as "monitor—deadline TBD" until the EEOC issues a final determination.

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