Employee handbooks serve as a foundational tool for shaping workplace culture, guiding employee behavior and safeguarding organizations against legal exposure. Yet too often, employers overlook the importance of keeping employment policies current. When employee handbooks are not regularly reviewed and updated, organizations can face increased exposure to legal risks and liabilities. In today's rapidly evolving environment, where complex employment laws are constantly changing, employers must stay informed about regulatory developments that may impact their operations. The start of the year presents an opportune time for employers to review and update their policies to ensure compliance and mitigate potential risks. Important legal developments in 2025 include:

- Employee leave laws;
- Pay transparency;
- Captive audience bans;
- Increased reverse discrimination claims;
- Religious accommodations;
- Artificial intelligence (AI) legislation; and
- Workplace violence prevention.

This HR Compliance Bulletin examines seven employment policies that employers should review in 2026.

Outdated policies can expose organizations to unnecessary legal risks. Regularly reviewing and updating employment policies is an effective and cost-effective way for employers to protect themselves. By understanding the most significant legal developments to review in 2026, employers can take steps to ensure their employee handbooks are current and reflect the most recent regulatory developments.

Forward-thinking employers recognize that updating handbooks is not a routine administrative task, but a critical investment in organizational resilience and workforce trust. By treating handbook updates as part of a broader strategy for compliance and culture, employers can not only reduce legal risks but also strengthen their reputation and ability to address workplace challenges effectively. Employers should consider reviewing the following employment policies in 2026.

In recent years, there have been significant changes in employee leave laws at the state level as states continue to pass and expand leave laws. Several states have implemented new paid sick leave (PSL) and paid family and medical leave (PFML) programs, while others have updated their PSL and PFML laws. Currently, 17 states and the District of Columbia have statewide laws that require employers to provide PSL benefits to employees. Additionally, Illinois, Maine and Nevada have laws mandating paid leave for any reason. Each of these state laws has its own rules regarding employer and employee coverage, qualifying reasons for leave and amount of paid leave, among others. Localities across the country have also passed ordinances mandating PSL. As a result, complying with PSL laws can pose significant compliance challenges for employers. If any discrepancies exist among federal, state and local laws, employers must comply with the provisions that are most favorable to employees.

Furthermore, many states have enacted laws addressing PFML for employees, including California, Colorado, Connecticut, Delaware (effective Jan. 1, 2026), Maine, Maryland, Massachusetts, Minnesota (effective Jan. 1, 2026), New Jersey, New York, Oregon, Rhode Island and Washington, along with the District of Columbia. Other states have adopted voluntary PFML programs. In general, PFML programs provide employees with partial wage replacement during time off to care for an ill family member or for their own medical conditions. The features of the programs differ in terms of the amount of leave compensated, the compensation rate and, importantly, whether they provide employees with a right to job-protected leave. PFML laws also vary on whether leave is funded by employers, employees or both. For 2026, some states are amending their PFML laws to work more smoothly with the federal Family and Medical Leave Act (FMLA). For example, Washington passed amendments to its PFML program, which take effect Jan. 1, 2026, to reinforce the requirement that PFML run concurrently with leave under the FMLA. The amendments permit Washington employers to count an employee's FMLA leave against their job-protected PFML entitlement when the FMLA leave qualifies for PFML, even if the employee does not apply for or receive PFML. The amendments restrict an employee's ability to preserve PFML for later use.

Many states have also updated their PSL and PFML laws to provide enhanced requirements, including covering more employees, providing additional leave time and expanding the circumstances under which eligible employees may take leave. Expanded reasons for leave include bereavement, miscarriage, prenatal health care, school activities, blood donation, public health/emergencies, and leave for parents with a child in a neonatal intensive care unit (NICU). Changes taking effect on Jan. 1, 2026, include:

- **California** added PSL rights for victims, jurors and witnesses;
- **Colorado's** PFML insurance was expanded for parents with a child receiving inpatient NICU with 12 more weeks of leave;
- **Connecticut** amended its PSL law to cover employers with at least 11 employees (in 2025, the law applied to employers with 25 or more employees in the state);
- **Minnesota** amended its PSL law to allow employers to advance leave to employees based on their anticipated work hours for the remainder of the year;
- **Oregon** revised its sick time law to permit employees to use leave to donate blood; and
- **Rhode Island** increased wage benefits under the state's Temporary Caregiver Insurance program from seven to eight weeks.

Additionally, effective June 1, 2026, Illinois employers with at least 16 employees must provide unpaid leave while the employee's child is a NICU patient.

Victim leave laws are also being expanded. For example, Washington enacted a law, effective Jan. 1, 2026, requiring employers to provide leave from work, safety accommodations and job protections for employees who are the victims of a hate crime or whose family member is a victim. States are also augmenting leave protections related to various types of service, including emergency responder and military family leave. For example, effective Jan. 1, 2026, New Hampshire employers with at least 50 employees at the same New Hampshire location must provide unpaid leave to spouses of military service members when the spouse is involuntarily mobilized for up to one year and one day in support of war, national emergencies or contingency operations.

Further, states are expanding the definition of a "family member" for purposes of employee leave to include individuals who are not in the employee's immediate family. For example, under the California PSL statute, "family member" now includes (among other individuals) a grandparent, a grandchild, a sibling and a designated person. "Designated person" is defined broadly to include a person identified by the employee at the time the employee requests paid sick days. Given California's influence, employers in other states should be aware that their states may choose to expand the list of individuals for whose care eligible employees may use leave.

Expansion is the prevailing theme for state PSL and PFML programs. As states continue to expand existing leave laws and implement new ones, employers must ensure that their leave policies are current and comply with local laws. It is critical to review existing policies to confirm they conform to state and local regulations of the location where employees physically work. Leave policies should clearly explain when employees are eligible for paid leave and any steps they must follow to request it. Employers should also verify that their leave policies do not unintentionally discriminate against employees based on a protected class. Additionally, employers should watch for the passage of new employee leave legislation and amendments to existing laws to ensure their policies remain compliant.

In recent years, pay transparency laws have expanded across the United States as more states adopt pay transparency legislation. In general, pay transparency is when an employer openly communicates pay-related information to prospective and current employees through established practices. These laws aim to address pay inequality and promote wage transparency by requiring employers to disclose compensation information and increasing employee access to salary data. While these laws vary in their requirements, they often mandate that employers post salary ranges in job postings or disclose salary information to both existing employees and job applicants.

Colorado pioneered this trend in 2021 with the nation's first pay transparency law. Between 2021 and 2025, additional pay transparency laws took effect in California, Connecticut, Hawaii, Illinois, Maryland, Massachusetts, Minnesota, Nevada, New Jersey, New York, Rhode Island, Vermont and Washington, as well as the District of Columbia and several municipalities. New pay transparency laws will take effect in Delaware on Sept. 26, 2027. Some states have recently revised their existing pay transparency laws. For example, effective Jan. 1, 2026, California amended its pay transparency law to clarify the pay scale that is to be included in job postings. California employers with 15 or more employees must include the pay scale for a position in all job postings. All employers must disclose the pay scale to employees and applicants upon request. The amended law clarifies that the pay scale must be a good-faith estimate of the salary or hourly wage range that the employer reasonably expects to pay for the position upon hire.

Because pay transparency laws vary by jurisdiction, employers must consider their legal obligations wherever employees physically work. Some jurisdictions' laws only require employers to provide pay ranges if the candidate requests it; others require employers to disclose more detailed compensation and benefits information. Even organizations not yet directly affected by pay transparency laws should prepare, as the growing prevalence of these laws means they are likely to face direct and indirect impacts.

To stay compliant and protect themselves, employers should understand the applicable pay transparency requirements, regularly review job postings and update their employment policies. Employers should consider implementing practices, including publishing pay scales for their open positions, offering training sessions on pay-related topics and ensuring their policies reflect evolving legal standards.

Another growing trend is state legislation barring employers from requiring employees to attend "captive audience" meetings on religious or political matters. These laws prohibit employers from coercing employees into attending or participating in meetings that are sponsored by the employer that concern the employer's views on religious or political matters, including union organization. The bans on captive audience meetings generally include exceptions for certain communications that employers are legally required to make.

In 2025, Rhode Island became the latest state to ban mandatory captive audience meetings. As a result, 13 states that have passed legislation allowing employees to opt out of captive audience meetings, including Alaska (effective July 1, 2025), California (effective Jan. 1, 2025, but preliminarily enjoined on Sept. 30, 2025), Connecticut, Hawaii (bans political speech only), Illinois (effective Jan. 1, 2025), Maine, Minnesota, New Jersey, New York, Oregon, Rhode Island (effective July 2, 2025), Vermont and Washington. This trend is likely to not only continue in 2026 and beyond but also grow. Additionally, some states have revised their captive audience bans. For example, effective Dec. 2, 2025, New Jersey amended its captive audience ban to expand the definition of political matters to include views regarding labor unions, among other changes. Specifically, the amendment defines "political matters" as matters related to an electioneering communication and the employee's decision to join or support any political party or political, civic, community, fraternal or labor organization or association.

However, some state captive audience laws are facing legal challenges. For example, in California, the U.S. District Court for the Eastern District of California preliminarily enjoined the state's captive audience ban. The court determined that California's captive audience ban violated the First Amendment's free speech clause by restricting employer speech and is preempted by the National Labor Relations Act (NLRA). Consequently, employers in California do not need to comply with the ban. However, the ruling is not final, and California employers should monitor updates in the case. Illinois' captive audience ban faced a similar challenge that was ultimately dismissed in October 2025. Therefore, employers in other states with captive audience bans should monitor for similar litigation that may arise in 2026.

While there is currently no federal law that prohibits employers from mandating attendance at meetings in which employers discuss political or religious matters, on Nov. 13, 2024, the National Labor Relations Board (NLRB) ruled that an employer violates the NLRA by requiring employees, under the threat of discipline or discharge, to attend a meeting in which the employer expresses its views on unionization. However, on Feb. 14, 2025, the acting general counsel (GC) of the National Labor Relations Board (NLRB) issued a memorandum rescinding several policies issued by the previous NLRB GC, including a memorandum addressing captive audience bans under the National Labor Relations Act (NLRA). While GC memorandums are not binding law, they inform NLRB field offices of the GC's NLRA enforcement priorities. These memorandums are also essential resources for employers, offering guidance on how the board interprets and applies federal labor law in various situations, indicating shifts in policy or enforcement priorities, and outlining how the board plans to apply legal precedents to new circumstances. The GC memorandum provides a framework for several potential major policy changes at the NLRB in the near future, including captive audience bans. Throughout 2025, the NLRB has been hindered by a lack of quorum, which has prevented the board from engaging in rulemaking and issuing final decisions. However, in 2026, the NLRB is expected to have a quorum and will likely address this issue, potentially adopting a different approach to federal labor law than the previous administration. This may include revisiting the NLRB's 2024 ruling.

In light of this trend, employers should consider reviewing their employment policies regarding workplace meetings. For example, employers can draft policies that clearly indicate that workplace meetings regarding religious or political matters are voluntary and that employees will not be punished or benefited for either attending or not attending those meetings. Employers can also ensure that discussions of political or religious matters during required meetings, including discussions related to unionization, are prohibited. Employers should continue to monitor for federal and state updates regarding captive audience bans.

Title VII of the Civil Rights Act (Title VII) prohibits employers from discriminating against individuals on the basis of race, color, religion, sex or national origin (i.e., protected traits). Employers are prohibited from discriminating against an individual regardless of whether the individual is a member of a minority group or a majority group. Discrimination against a member of a majority group is commonly referred to as reverse discrimination. The traditional framework for analyzing Title VII discrimination claims generally requires an initial showing that the employer acted with a discriminatory motive based on the individual's protected trait. However, circuit courts have historically disagreed as to whether individuals alleging discrimination based on their membership in a majority group (e.g., status as white, heterosexual or male) must also show "background circumstances to support the suspicion that the defendant is that unusual employer who discriminates against the majority." On June 5, 2025, the U.S. Supreme Court issued a unanimous decision in *Ames v. Ohio Department of Youth Services*, holding that reverse discrimination claims do not require more evidence beyond that required for standard discrimination claims. Instead, all discrimination claims are subject to the same evidentiary standard, regardless of whether the plaintiff is a member of a majority or a minority group. While the Supreme Court's ruling does not impose new obligations on employers, it establishes a uniform standard for individuals alleging any claim of employment discrimination, including reverse discrimination. Following the Supreme Court decision, it will be easier for individuals to allege reverse discrimination, potentially leading to an increase in the number of such claims. Therefore, employers should assess their workplace policies in light of these recent developments.

To reduce the likelihood of reserve discrimination claims, employers should consider reviewing their diversity, equity and inclusion (DEI) policies. In recent years, DEI programs have been a popular way for employers to promote inclusion for historically underrepresented populations. However, when not implemented carefully, DEI practices may expose employers to potential reverse discrimination claims. To help reduce the risk of reverse discrimination claims, employers that have implemented such DEI programs may consider carefully auditing existing DEI-related programs, including any written DEI policies, to ensure they do not directly or indirectly discriminate against members of a protected class. Employers should also review other employment policies to ensure they do not discriminate against any individuals, including members of a majority class. Employers may want to review their equal employment opportunity policies to ensure they are applied consistently to all employees and applicants. Employers should avoid using any language that suggests such policies only apply to certain protected traits. In addition to EEO policies, employers should ensure that all anti-discrimination, anti-harassment and anti-retaliation policies apply equally to all employees by providing protections to majority-group members in the same manner as they protect minority-group members. Employers may consider including examples of reverse discrimination, harassment or retaliation against majority-group members in these written policies.

Title VII prohibits most private employers with 15 or more employees for each working day in each of 20 or more calendar weeks in the current or preceding calendar year from discriminating against individuals on the basis of their religion. Additionally, Title VII requires covered employers to provide reasonable accommodations for an employee's (or applicant's) sincerely held religious beliefs, observances or practices, unless doing so would impose an undue hardship on the employer. A reasonable accommodation is any adjustment to the work environment that allows an employee to practice their religion. Employers are prohibited from refusing to hire, terminating or otherwise discriminating as to any term or condition of employment because someone may need a religious accommodation that could be provided without undue hardship.

The Equal Employment Opportunity Commission's (EEOC) recent activity suggests that it is prioritizing religious discrimination and accommodation claims. For example, on Aug. 18, 2025, the EEOC issued a press release entitled "200 Days of EEOC Action to Protect Religious Freedom at Work." The press release recounts enforcement actions the agency took to defend the religious liberty of American workers over the first six months of the Trump administration. It also indicates that the EEOC will continue to prioritize preventing and remedying instances of religious discrimination in the workplace moving forward. As a result, employers are likely to receive more accommodation requests based on religious beliefs, which may also lead to an increase in enforcement actions and litigation related to accommodating religious beliefs, practices and expressions. With the EEOC's increased focus on addressing religious discrimination in the workplace, employers should review their policies and practices for responding to employees' requests for religious accommodations and expression.

Employers should ensure their religious accommodation policy is drafted clearly and outlines the accommodation process, including how to request an accommodation and examples of common reasonable accommodations. The policy should also note that all accommodations will be made on a case-by-case basis and that retaliation for requesting or needing a religious accommodation is prohibited. Employers should also consider reviewing the following common employment policies:

- **Dress code and grooming**—Employers should ensure that dress code and grooming policies do not disproportionately affect individuals of a particular religion or enforce stereotypes about certain groups. Employers can draft these policies to allow for exceptions to accommodate employees' religious practices while ensuring that any safety requirements or business needs are met;
- **Anti-discrimination**—Employers can review and update workplace discrimination policies to include a statement that the employer does not tolerate discrimination on the basis of an individual's religious beliefs; and
- **Anti-harassment**—Employers should consider including a statement that religious harassment is prohibited and provide examples of behaviors that may constitute unlawful religious harassment.

Importantly, state laws may also require religious accommodations and may have different undue hardship standards for denying religious accommodations. Employers subject to both federal and state laws on religious discrimination should draft their employment policies to comply with the requirements that are more protective of employees and applicants.

AI has made its way into many workplaces nationwide and is rapidly changing how organizations operate and make decisions. While this technology presents opportunities for organizations, it has limitations and exposures that employers need to consider. Using AI technology can lead to intentional and unintentional discrimination in the workplace, resulting in costly lawsuits or investigations. Implementing workplace policies can help ensure employers understand the potential legal, business and reputational risks associated with using AI tools and protect against them. Despite the potential dangers of using AI tools, laws and regulations have not kept up with employers' acceptance and incorporation of this technology. Many existing laws address AI-related issues, yet such technology is a relatively new legal area. There's currently a patchwork of federal and state regulations that address aspects of using AI tools in the employment context. There have been some efforts at the federal level to enact legislation regulating AI, but these efforts have been largely unsuccessful. Most recently, Congress attempted to pass a bill, which ultimately failed, that would have barred states from enacting or maintaining any new or existing AI laws for 10 years. However, in November 2025, President Donald Trump asked Congress to take steps again to block states from passing AI-related laws. Therefore, it's possible that federal AI legislation will be introduced sometime in 2026. Additionally, on Dec. 11, 2025, President Trump issued an executive order (EO) aimed at restricting states from implementing their own laws regulating the use and development of AI. The EO is likely to face legal challenges from states with existing AI legislation. Employers should monitor this situation for updates.

Despite the lack of progress federally, state and local governments have taken measures to address the implications of AI in the workplace. However, states and localities have taken different approaches to regulate AI, which can create compliance challenges for employers. For example, California enacted regulations that ban covered employers from using AI that results in discrimination based on an employee's protected class (e.g., race, sex, national origin, religion, disability and age), which took effect on Oct. 1, 2025. Illinois enacted an amendment to the state's Human Rights Act that bans employers from using AI that results in discrimination based on an employee's protected class. It also requires employers to notify employees that AI is being used. The amendment takes effect on Jan. 1, 2026. Texas also enacted legislation that imposes guardrails on the development and deployment of AI systems in the state, which takes effect Jan. 1, 2026. While most of the law's compliance obligations apply only to governmental entities, certain provisions apply to private businesses, including the prohibition on the development or deployment of AI systems that unlawfully and intentionally discriminate against an individual based on their protected class. Effective June 30, 2026, the Colorado Artificial Intelligence Act (Act) will require businesses to avoid discrimination when using AI for consequential decision-making (such as hiring, termination and other employment decisions).

AI technology is revolutionizing the employment landscape. As more organizations embrace this technology, establishing proper workplace policies can help employers protect against related risks and prevent potential violations. Existing workplace policies may already address some AI-related risks, but employers may need to reevaluate these policies to address specific concerns. Being proactive in creating AI-related policies and procedures can help employers identify their exposures and outline strategies to address them.

Violence in the workplace has been increasing in recent years. While no federal law specifically addresses workplace violence, several laws impose a duty on employers to maintain a safe workplace. For example, the federal Occupational Safety and Health Act imposes a general duty on employers to provide employees with a workplace that is free from hazards. Federal civil rights laws also require employers to keep the workplace free from threats of violence. State workers' compensation laws make employers responsible for injuries sustained by employees at the workplace.

However, with the increase in workplace violence, states have taken action to address it. An increasing number of states require employers to implement detailed workplace violence prevention plans, employee training and other specific safety precautions to decrease the risk of workplace violence. For example, in California, nearly all employers are required to develop and implement workplace violence prevention plans. Under the Illinois Workplace Violence Prevention Act, employers are permitted to obtain a workplace protection restraining order to prevent further workplace violence or threats of workplace violence.

In addition to general workplace violence prevention laws, states are passing legislation to regulate specific industries or protect certain categories of workers. For example, the Illinois Health Care Workplace Violence Prevention Act addresses workplace violence in health care settings. In New York, the Retail Worker Safety Act requires certain covered retail employers to develop a workplace prevention policy and conduct employee training to enhance worker safety and mitigate the risk of workplace violence in retail environments. Additionally, Washington amended its workplace safety standards to require employers in specified industries to provide annual training to managers, supervisors and isolated employees on sexual assault and harassment. Oregon also amended the state's Safety of Health Care Employees law to add requirements for health care sites. The amendments, among other things, clarify the requirements of workplace violence prevention plans and require workplace violence training to be conducted on an annual basis for employees and contracted security personnel who work on the premises of a health care employer. Both Washington's and Oregon's amendments take effect Jan. 1, 2026.

Given the rise of workplace prevention laws, employers should consider developing and implementing preventive strategies, response protocols and mandatory training to address violence in the workplace. Employers can protect themselves and help ensure compliance with legal and regulatory standards by understanding applicable workplace violence requirements. Many states with workplace violence laws provide model policies and training materials that employers can use when developing violence prevention plans and training.