

The State of Compliance: Best Practices and Strategies for HR Teams in 2025

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Report: The State of Employment Law Compliance in 2025

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Our guests today



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Agenda



How HR teams are navigating the law

Highest priority areas

- 1. Paid leave/sick leave
- 2. Multi-state workforce management
- 3. Pay requirements
- 4. Hiring
- 5. Exempt vs. non-exempt

Most time-consuming

- 1. Hiring
- 2. Paid leave/sick leave
- 3. Multi-state workforce management
- 4. Pay requirements
- 5. Separation

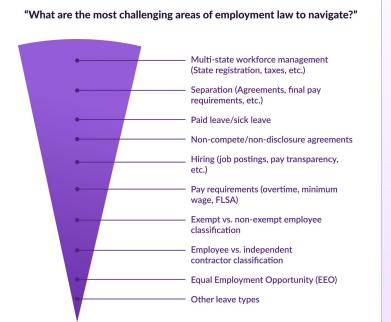


How are you seeing teams tackle complexity with designing leave policies—especially with varying multi-state requirements?

What are you seeing HR teams doing to ensure compliance during hiring when other (non-HR) managers are involved in the interview process?



How HR teams are navigating the law









Looking at the bottom of this list, is there anything there that surprises you being rated as "less complex" by HR professionals?

What strategies are you seeing small or single-person HR teams use to "punch above their weight" when it comes to managing compliance?



Improving compliance processes

What are the biggest challenges in your employment law compliance efforts? Keeping policies and agreements updated as the law changes 70% Understanding how laws differ state-by-state 50% Creating new policies and agreements when hiring in a new state 35% Respondents were able to select up to 3 answer options, in no ranked order, that reflected their biggest compliance challenges: percentages reflect how many respondents selected that item as one of their top concerns.

75% of companies said they review or refresh their handbook no more than once per year

18% don't remember the last time they reviewed or updated

their agreements



What is the ideal review cadence for employment policies and handbooks, agreements, state addenda, etc?

How have you seen HR teams effectively move from doing large handbook refresh projects to more regular, lower-lift updates?



Improving compliance processes

Do you feel your team is generally proactive or reactive when it comes to employment law compliance?

41%	25%	34%
Proactive	Reactive	Neither/A bit of both

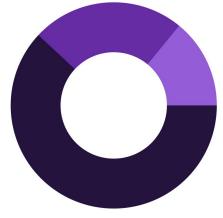


What methods have you found help HR teams stay proactive when it comes to employment law changes?

How can HR teams improve their "legal issue spotting" skills and anticipate changes that will impact their business?



"Who primarily champions employment law compliance within your organization?"



HR/General Council-62%

- C-level Leadership-24%
- Equal priority-14%



562 hours spent per year on employment law compliance work by in-house HR teams

26% of HR professionals' jobs are spent on employment compliance work "Employment law is so complicated and unless you are in HR, the legal industry, or have been sued before, no one in the company cares about compliance and doesn't understand the importance or need—therefore making it even harder to keep up."

-Survey respondent

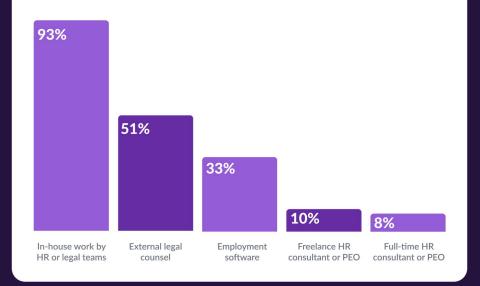


How should HR teams approach conversations with decision-makers who are hesitant to spend on employment law compliance—or don't see the risks of non-compliance?

HR is typically the primary champion of compliance—is this a concerning trend, or not a big deal? How are you seeing these "prioritization" conversations play out within companies?



"Which paid methods are teams using to manage employment law compliance?"





What mix of resources are you seeing efficient HR teams rely on?

How can HR teams responsibly offload more of their compliance work to 3rd parties or automated resources—while still keeping their finger on the pulse and providing a good experience for employees?



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Upcoming trends?

• Al use

- Hiring decisions
- Ensuring compliant employee use

• New presidential administration

- Executive Orders
- o DEI

• Continued expansion of state-level trends

- Voter-led required leave policies
- Pay transparency

What else do you see being big in 2025?

Resources to get started

Interactive maps

- <u>Required employee handbook policies by state</u>
- Pay transparency laws by state
- US non-compete agreement laws by state
- <u>Employee termination requirements by state</u>

Webinars, guides, & more

- Join SixFifty webinars to stay up-to-date—and earn SHRM and HRCI recert credits
- Policy Navigator
- <u>Guide to Hiring in a New State</u>
- January 1st Checklist

Software & automation

- <u>SixFifty's Employment Law Platform</u>
- <u>Research + Ask SixFifty Al</u>
- <u>SixFifty automated legal updates</u>



Thank you!

