



Think Like a Lawyer: How HR Can Be Better Compliance “Issue-Spotters”

May 21st, 2026

A law school crash course

Contrary to popular belief:

Law school ≠ learning the law

Law school was really about learning two things:

- 1. How to spot legal issues**
- 2. How to research those issues**

Today's goal: Learn you how to do the same thing for employment law issues impacting HR!



Today's "class schedule"

1 Civil Procedure: Jurisdiction Pitfalls

2 Contracts: Employment Agreements

3 Legal Research and Writing: A Practical Demo

Hiring

Your company is headquartered in Oregon and you are planning on hiring your first California Employee.

Which state's employment laws govern the relationship?

What issues and trends should you be thinking about?

“Which state's laws govern my employment relationships?”

Lawyer answer: It depends.

General rule: The law of the state where the employee works.

Follow ups: What if an employee lives in one state and works in another?

What if an employee works in multiple states?



Hypothetical #1: Potential issues

Update handbook: Lots of required policies

Required training: Sexual harassment prevention, workplace violence prevention, and COVID-19 training

Onboarding notices and posters: Lactation accommodation, insurance provisions, paid family leave insurance, sexual harassment, workers compensation

Calsavers Retirement Program: If you don't already have a retirement plan



Hypothetical #1: Potential issues

First employee in California?

- Obtain certificate of authority
- Obtain registered agent
- Report hire to California employment Development Department
- Register for unemployment insurance
- Obtain workers compensation insurance
- Enroll in state disability insurance program
- Register for employer payroll tax account
- Obtain completed state income tax withholding form



Your 100th employee

You are about to hire your 100th employee. They will be working in New York, where you already have 9 other employees.

Do you still need to update your employee handbook?

New York sick leave

Under New York's sick leave law:

- Employers with 5-99 employees must allow employees to accrue up to 40 hours of paid sick leave per year.
- Employers with 100 or more employees must allow employees to accrue up to 56 hours of paid sick leave per year.



Hypothetical #2: Potential issues

You will have 10 employees in New York and 100 employees nationwide, so which category do you fall into?

- Employers with 5-99 employees must allow employees to accrue up to 40 hours of paid sick leave per year.
- Employers with 100 or more employees must allow employees to accrue up to 56 hours of paid sick leave per year.

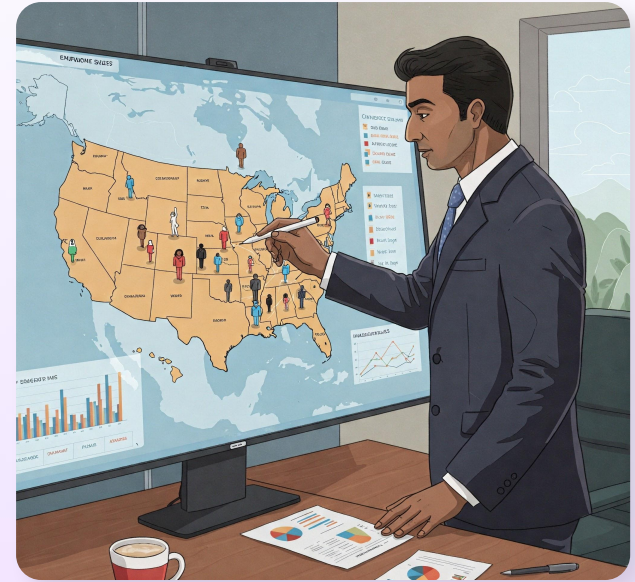


“Which employees do I count?”

Some laws clearly define which employees to count by specifying categories such as:

- Worldwide
- In the US
- In the State/Locality
- At a worksite
- Eligible/Covered Employees
- Full-time Employees

But some laws don't specify how to count your employees, leaving employers in a difficult position.



Counting employees for NY's sick leave law

New York's sick leave law does not specifically address how to count employees.

But New York's Department of Labor has clarified that it interprets the statute to require employers to count all employees nationwide.

This means that your organization would likely need to begin providing 56 hours or paid sick leave per year.



Key takeaways from “Civil Procedure”

Remember to update your employee handbook when:

- The law changes in a state or jurisdiction where you have employees
- You hire in a new state or jurisdiction
- You stop having employees in a state or jurisdiction
- You cross employee count thresholds that trigger new requirements



Job offers

You've interviewed candidates and are ready to send out a job offer to a candidate in Colorado.

What issues and trends should you be thinking about?

Hypothetical #3: Potential issues

Restrictive covenants (non-compete, non-solicitation, non disclosure)

Colorado:

- Non-competes \$130,014+
- Customer non-solicitation provisions \$78,008.40+
- Provide notice before employee accepts offer

Montana: Job is not “at-will” and there will be a probationary period

Connecticut: Must disclose salary range if not previously disclosed



Employment contracts

Your candidate from Oregon accepted your offer and you need to send them an employment contract.

What issues and trends should you be thinking about?

Hypothetical #4: Potential issues

Restrictive covenants

- Minimum salary for non-completes \$119,541
- Must provide a copy of the non-compete to potential employee at least 14 days before their start date

Non-disclosure agreement (NDA) carve outs

Arbitration: FAA generally applies

Invention assignment clause: State specific language and notice

Montana: No at-will employment



Relocation

Your employee moves from Idaho to Illinois.

What issues and trends should you be thinking about?

Hypothetical #5: Potential issues

Where in Illinois are they moving? Chicago? Cook County?

Update handbook: Required leave for any reason

Training requirements: Sexual harassment prevention training (at least once a year)

Check contract

- Non-compete \$75,000+ and non-solicitation \$45,000+
- 14 days notice in writing, including an advisement to consult an attorney

First employee in Illinois?



Separation

You are letting go of an employee in West Virginia.

What issues and trends should you be thinking about?

Hypothetical #6: Potential issues

Final paycheck

- Paid on next scheduled payday for termination or resignation
- Must pay accrued unused vacation unless you have a provided employees with a written policy stating that accrued vacation will not be paid out.

Are you going to **negotiate a separation agreement**?

Release of claims: Must explicitly list claims, include number for West Virginia Bar, and provide 7-day period where employee can rescind waiver of claims

Required separation notices: Unemployment benefits, COBRA

Do you need to **withdraw from being an employer** in West Virginia?

Legal research and writing: AI use

Your California and Colorado based employees and HR team want to start using AI as part of their work.

What issues and trends should you be thinking about?

First wave of AI regulation

AI use has exploded in all areas, including HR, and the wave of regulations is growing.

States and localities are often the first movers and that has been the case in the regulation of AI in HR.

- **California** SB 53 requires of major AI developers disclosure and transparency obligations, and institutes protections for employees who report violations of the law. Effective January 1, 2026.
- **Illinois'** AI law took effect on January 1, 2026, prohibiting AI tools from discriminating and requiring notice that AI is being used in decision-making.
- **Connecticut** AG published a memo applying civil rights, privacy, and consumer protection laws to AI on February 25, 2026.
- **Colorado's** Artificial Intelligence Act was recently amended and had the effective date delayed until January 1, 2027. The scaled back law now focuses on requiring employers to provide notice, create a review processes, and keep records when using Automated Decision-making Technologies (ADMT).



AI—compliance solution or liability time-bomb?

AI use in the compliance space is increasing

- 46%* of HR teams are planning to use generative AI for the first time in 2026 to assist with employment law compliance

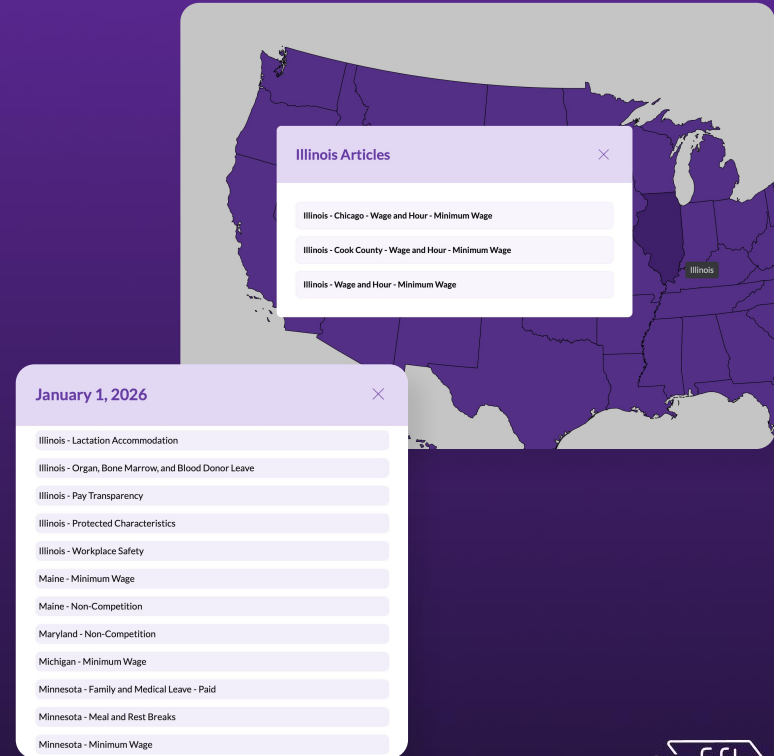
Can be a powerful tool, but only when used carefully. Here are some best practices:

- Use it for discrete, well-defined tasks, the AI is intended for
- Ensure it has all relevant information (but don't give it sensitive info)
- Always double check its work, AI should never be the last step
- Create an employee and employer AI use policy

Legal research and writing assignment

Using SixFifty, let's:

1. Answer a frequently asked employment law question with AI
2. Research recent employment law changes that impact handbooks
3. Create an updateable employee handbook that complies with those changes and includes an AI use policy



Q&A time!

What questions do you have?

Need help with compliance?



Schedule a personalized tour of SixFifty's HR employment compliance platform

Or visit sixfifty.com/request-a-demo



Learn more at sixfifty.com