



Navigating EEO: Compliance Best Practices & Legal Updates

June 25, 2026

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Compliance With AI Regulation

What Is Equal Employment Opportunity?

Equal Employment Opportunity (EEO) is the principle that all individuals deserve a fair chance at employment, promotion, and compensation based on their skill and merit. Federal and state EEO laws promote this principle by prohibiting employers from making employment decisions based on protected characteristics.

Who Is Protected?

EEO laws protect applicants and employees at every stage of employment, from hiring, promotion, and pay to training, discipline, and termination. EEO laws apply to most private and public employers.

What Conduct Is Prohibited?

Covered employers may not discriminate, harass, or retaliate based on protected characteristics. They must also provide reasonable accommodation for religion and disability in many circumstances.

Core Federal EEO Laws

Title VII of the Civil Rights Act (1964) Prohibits discrimination based on race, color, religion, sex, and national origin. Applies to employers with 15+ employees.

Age Discrimination in Employment Act – ADEA (1967) Protects workers age 40 and older from discrimination. Covers employers with 20+ employees.

Americans with Disabilities Act – ADA (1990) Prohibits discrimination against qualified individuals with disabilities and requires reasonable accommodation. Covers 15+ employees.

Pregnancy Discrimination Act – PDA (1978) Amends Title VII to clarify that sex discrimination includes pregnancy, childbirth, and related conditions.

Equal Pay Act (1963) Requires equal pay for men and women performing substantially equal work in the same workplace.

Additional Federal EEO Protections

Genetic Information Non-Discrimination Act – GINA (2008)

Applies to employers with 15+ employees

Prohibits employers from using genetic information — including family medical history — in hiring, pay, promotion, or other employment decisions.

Pregnancy Workers Fairness Act – PWFA (2023)

Applies to employers with 15+ employees

Requires covered employers to provide reasonable accommodations for known limitations related to pregnancy, childbirth, or related medical conditions unless it causes undue hardship.

Executive Order 11246 (Federal Contractors)

Covers: Federal contractors

Requires federal contractors and subcontractors to ensure equal opportunity in employment without regard to race, color, religion, sex, or national origin.

Federal Enforcement: The EEOC

The Equal Employment Opportunity Commission (EEOC) is the federal agency responsible for enforcing federal EEO laws. Before filing a federal discrimination lawsuit, employees must first file a charge with the EEOC.

EEOC Charge Process

1. Employee files a charge within 180–300 days of the discriminatory act.
2. EEOC notifies the employer and may investigate.
3. EEOC attempts mediation or conciliation.
4. If unresolved, EEOC issues a Right to Sue letter.
5. Employee may then file suit in federal court.

Key Employer Obligations

- Post required EEO notices in the workplace.
- Retain employment records per EEOC guidelines.
- Respond to EEOC charges in a timely manner.
- Cooperate with EEOC investigations.
- File EEO-1 reports if required (100+ employees or federal contractor).

Federally Protected Classes at a Glance

Race & Color

Title VII

Sex / Gender

Title VII

Religion

Title VII

**National
Origin**

Title VII

Age (40+)

ADEA

Disability

ADA

Genetic Info

GINA

**Pregnancy /
Childbirth**

PDA, PWFA

State EEO Laws: Broader Protections

All 50 states and the District of Columbia have enacted their own anti-discrimination laws. State laws often apply to smaller employers, cover additional protected classes, impose shorter filing deadlines, and allow greater remedies than federal law.

Smaller Employer Coverage

Federal EEO laws generally apply only to employers with 15–20+ employees. Many states set the threshold at 1–5 employees, extending protections to far more workplaces.

Additional Protected Classes

Common state-added classes include: marital status, military/veteran status, source of income, credit history, race-related hair style, and political affiliation.

Stronger Remedies & Enforcement

State agencies independently investigate complaints. Many states allow uncapped compensatory damages, punitive damages, and attorney's fees.

Shorter Filing Deadlines

State filing deadlines can be as short as 180 days (vs. 300 days federally).

Key Takeaways & Employer Action Steps

Know which laws apply to you. Know where you have employees and whether you meet employee thresholds. Federal, state, and local laws may all apply simultaneously.

Train Employees, especially managers. Regular EEO training can help prevent discrimination. Supervisors must recognize and respond appropriately to harassment and discrimination complaints.

Create and maintain complaint and investigation procedures. Make sure you have up-to-date EEO policies, accessible reporting channels, and that you conduct prompt investigations.

Document employment decisions. Keep clear records of hiring, promotions, discipline, and terminations. These records are often essential to defending against discrimination claims.

Stay current on state and local law. States and localities regularly update and expand the EEO protections they provide. Make sure your EEO policies and procedures are up-to-date.

Consult legal counsel early. When an EEO complaint arises, involve employment law counsel early in the process.

EEO Updates

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Federal Updates

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Protected Characteristics

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Pregnancy Accommodations

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Disability Accommodations

Federal Updates

➔ EEOC Publishes New Guidance (Nov. 25, 2025)

- Updated federal interpretation of protected characteristics, clarifying that Title VII of the Civil Rights Act protects employees and applicants from discrimination based on their national origin, including Americans.

➔ DOL Establishes Center for Faith (Mar. 19, 2026)

- Signals increased federal attention to religious accommodation.

➔ Federal Civil Penalties Unchanged for 2026 (May 27, 2026)

- A rare year of stable federal penalty levels — no inflation adjustment this cycle.

➔ DOJ Limits Disparate Impact Theory (June 6, 2026)

- The DOJ restricted federal use of disparate impact discrimination claims. State laws still apply — NJ and NY have strengthened their own standards.

Protected Characteristics: New Protections

- **Minneapolis (Aug. 1, 2025)**
 - Added justice-impacted status (criminal history), housing status, and height/weight as protected classes. Criminal history can still be considered — but only after a formal review process.
- **New Jersey (Jan. 20, 2026)**
 - Issued language discrimination guidance clarifying that language discrimination is discrimination based on a English proficiency, biases based on a person's native language, accent, and speech patterns, or valuing English above other languages.
 - Added military service as protected class.
- **Pennsylvania (Jan. 26, 2026)**
 - Pennsylvania expanded state-level protected characteristics to include hair texture and cultural hairstyles (Jan. 26, 2026). Delaware County and Pittsburgh also passed or amended anti-discrimination protections in 2025-2026.
- **Chicago and Wisconsin (Feb. 20, 2026 and Mar. 29, 2026)**
 - Both added antisemitism definitions to protected characteristics law.

Protected Characteristics: New Protections Cont.

- **Oregon and Portland**
 - Portland established discrimination protections based on an individual's family or relationship structure (Apr. 10, 2026).
 - Oregon prohibits employers from taking adverse action against employees for lawfully updating their federal employment authorization documentation (Jun. 5, 2026).
- **Virginia (July 1, 2026)**
 - Broadened EEO law coverage and added coercion protections for immigrant workers.
- **Philadelphia**
 - Expanded protections for menstruation, perimenopause & menopause (Jan. 1, 2027); added immigrant worker protections (Apr. 23 2026).

Protected Characteristics: Rollbacks

- **Iowa (July 1, 2025)**
 - Removed gender identity from protected characteristics.
- **Texas (Sep. 1, 2025)**
 - Defined sex based solely on biological characteristics at the state level. Federal Title VII still protects gender identity — Texas employers face a split between state and federal obligations.
- **Iowa (Mar. 10, 2026)**
 - Prohibited local governments from expanding civil rights protections beyond state baseline.
- **Florida (Jan. 1, 2027)**
 - Restricts local governments from adopting DEI-related policies. If you partner with Florida local governments on DEI initiatives, those relationships may change.

Accommodations: Pregnancy and Lactation

- **New Hampshire (July 1, 2025)**
 - Employers with 6+ New Hampshire employees must implement a formal lactation policy with appropriate break time and space. New employees must be notified of the policy upon hire.
- **Oregon (Nov. 6, 2025)**
 - Employers must provide reasonable rest periods to accommodate an employee who needs to express milk for their child who is 18 months or younger.
- **Illinois (Jan. 1, 2026)**
 - Employers with 4+ employees must pay nursing mothers at regular rate during lactation breaks. Employees cannot be required to use paid leave.
- **Baltimore (Jan. 10, 2026)**
 - Employers with 2+ full-time Baltimore employees must provide reasonable accommodations to pregnant employees, upon request.
- **Connecticut (Oct. 1, 2026)**
 - Employers must provide reasonable break time to express milk, in addition to existing break time.
- **Washington (Jan. 1, 2027)**
 - Employers may request medical certification of the need for accommodations unless the accommodation is to limit lifting over 17 pounds.

Accommodations: Disabilities

- **New York (Dec. 5, 2025)**
 - Discriminating or retaliating against individuals who requested a reasonable accommodation is itself a violation. Critical for manager training — not just denials, but deterrence is prohibited.
 - This is just a clarification. The law already prohibited this behavior.
- **Minnesota (Aug. 1, 2026)**
 - State expanded disability protections. Failure to engage in the process to determine if a reasonable accommodation exists that would allow people with disabilities to participate fully in employment may be an unfair discriminatory practice.
- **Connecticut (Oct. 1, 2026)**
 - Employers must provide written notice of employees' right to reasonable accommodation.

Accommodations Request Best Practices

1

Respond Promptly

2

Engage in Interactive Process

3

Evaluate Requests Individually

4

Document Everything

5

Monitor and Follow Up

6

Train Your Managers

What is “AI”?

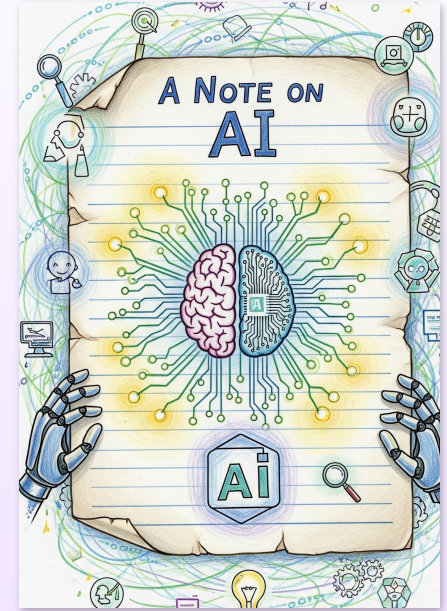
“Artificial Intelligence” includes more than just programs that imitate human intelligence (e.g., chatGPT)

- It includes any machine-based system that analyzes data to generate outputs in service of an objective (e.g., predictions, recommendations, or decisions)

Common examples include algorithms, applicant screening tools, and certain types of performance monitoring technology

- Anything that takes in employee/applicant data and uses it to predict performance or suitability for a role

Laws often refer to it as “automated decision-making technology” rather than “Artificial Intelligence” for this reason



AI Use Fits into Existing Anti-Discrimination Law

Several states have approached the AI discrimination risk through legislative changes clarifying that existing EEO laws apply to AI-assisted decisions, or that AI use is not a defense to discrimination claims. Here are three recent examples from California, Illinois, and Connecticut:

1

California

- Adds use of “automated decision systems” to CA’s EEO law
- Several helpful examples of covered AI use (e.g., pre-offer assessments)
- Safe harbor for bias testing
- Effective 10/1/25

2

Illinois

- Adds use of AI in employment decisions to IL’s EEO law
- Requires notice when AI will be used to make employment decisions
- Forbids discrimination based on zip codes
- Effective 1/1/26; with new regulations pending

3

Connecticut

- Prevents AI use from being a defense to discrimination claims
- Safe harbor for bias testing
- Part of a broader regulation of AI use in employment
- Effective 10/1/26

Connecticut Regulates use of “AEDTs”

Employers who use “Automated employment-related decision technology” (“AEDTs”) must (1) give notice to affected employees, and (2) avoid discriminatory outcomes

- Excludes several common uses of technology from definition of “AEDT”

Only when used to make “employment-related decisions” (e.g., hiring, firing, compensation, etc.)

- Excludes decisions that only produce non-material changes to working conditions or that are “made with respect to workplace health and safety, scheduling and planning or productivity monitoring”

Notice requirement kicks in October 2027 and requires disclosure of:

- The purpose of AI use; the decision being made; the trade name of the AI system (if any); the type(s) of data used; the logic underlying the system; the sources of the data; and contact information for the employer.

Colorado: The AI Act Rolls Back

In May 2024, CO passed the first comprehensive regulation of AI at the state level

- Regulated both “Developers” and “Deployers” of AI systems in all sectors of the economy

In May 2026, CO replaced that law with one that only regulates AI when used to make significant decisions

- E.g., those related to employment, housing, education, etc.

For employers, the law is now similar to CT with an added review and appeal process for adverse actions

- Must give extra notice and opportunity for human review within 30 days



New Jersey's “Guidance on Algorithmic Discrimination”

State AGs can sometimes make existing law apply to AI without need for formal legislative action

- NJ among the first to do this, but other states have followed suit (e.g., Maryland and Connecticut)

“Disparate Impact” claims mean employers can be liable for AI tools that have discriminatory impact even if they acted in good faith

- Discrimination can result from errors in designing, training, or deploying the AI

Good source of truth for employers who want to understand how AI use can result in discrimination, especially unintentionally



California Seeks a Novel Approach:

On May 26, California issued an Executive Order seeking recommendations on other ways to regulate AI and the threat it poses to employment rates. The order contemplates the following potential avenues:

New notice rules for mass layoffs

Businesses that engage in mass layoffs may be required to state whether they were caused by increased use of AI. CA wants to use this data as an early warning if a rise in unemployment is likely.

More unemployment for affected workers

The order contemplates creating a new safety net to protect workers who are laid off due to AI. It is unclear whether these additional benefits would increase employers' UI tax burden, but it's possible.

AI-specific training could be coming

Either mandatory training for employers with workers that use AI or state sponsored AI literacy training, the order has a clear focus on trying to keep CA employees from being left behind in an increasingly AI powered workforce.

Higher taxes on revenue generated by AI

The order asks for recommendations on programs that would "direct a portion of revenue generated by AI companies" to government programs that would promote beneficial AI use. It's light on other details, so this is an area to monitor.

Does this mean you shouldn't use AI?

No—it just means you should be cognizant of when and how you use it

- A total ban on AI is unlikely in any context*

Best practices include:

- Testing AI tools for discriminatory impact;
- Making robust disclosures about how AI is deployed and the logic it uses; and (potentially)
- Allowing people opt-out or appeal the results of a decision

Businesses that use AI to make decisions can get a head start by making sure you 1) understand the logic behind your AI tools and 2) test them for bias



Thank you!

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