

Navigating Through 2026 Employment Law Updates

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Synopsis: With the seemingly constant changes in labor and employment laws throughout the U.S. these days, employers are well advised to take a hard look at their employee handbooks. With rapidly evolving rules around AI, immigration, paid leave, social media, and workplace accommodations, now is the perfect time for a strategic review to avoid running afoul of local and national laws.

States and regulatory agencies are rolling out fresh rules challenging even the best HR administrators in areas shaped by new technologies, political shifts, and changing workplace expectations.

In this update we will highlight several major developments hitting the workplace in 2026 as consideration for this years' policy refresh.

- **Artificial Intelligence:** Despite the risk of losing federal funding under the Trump Administration's federal AI Action plan, states continue to enact and implement AI laws – several of which take effect this year. Colorado's AI law, for example, is slated to go live in June 2026, notwithstanding further developments from Colorado's strained legislature. Under the law, employers using AI may be deemed "deployers" of high-risk AI systems that create the risk of discriminatory employment decisions based on potential bias in the systems' algorithms (a.k.a. "algorithmic bias"). As such, **Colorado** employers may demonstrate compliance through adoption of a risk management policy and program, impact assessment, and notice distribution. Similarly, the **Illinois** Department of Human Rights ("IDHR") issued draft rules that went into effect in January 2026 governing employers' use of AI in recruitment, employment opportunity, discipline, and separation. Pursuant to the draft rules, employers are required to provide notice to employees and candidates regarding the use of AI within 30 days of adopting AI-enabled technologies. **Texas'** Responsible Artificial Intelligence Governance Act ("TRAIGA") came online in January 2026 as well, barring employers' use of AI for intentionally discriminatory purposes. Many more states have introduced bills or formed commissions to assess the evolving risks of using artificial intelligence in the employment context. We anticipate that

regulation of AI will only expand from here. As AI becomes increasingly integrated across employment-related technologies ranging from targeted recruitment to audio transcription of interviews and meetings, employers should take stock of their systems and ensure corresponding policies are current and compliant.

- **Immigration Protections:** In response to the Trump administration’s focus on immigration enforcement, many states enacted laws with heightened immigrant worker protections. As of February 1, 2026, California employers are required to provide all employees and new hires with a “Know Your Rights” notice. The Notice must include a description of workers’ rights as relating to workers’ compensation benefits; right to notice of inspection by immigration agencies; the right to organize a union or otherwise engage in protected activity; fourth and fifth amendment rights when interacting with law enforcement in the workplace; among others. **Illinois** created and expanded a [series of laws](#) including the Public Higher Education Act and the Health Care Sanctity and Privacy Law requiring employer policies and procedures governing workplace interactions with law enforcement agents, and expanded employee protections based on actual or perceived immigration status. In Washington, employees may now use [paid sick leave](#) to prepare or appear for their own or a family member’s immigration proceedings. These expanding protections will continue to impact employer obligations relating to privacy, safety planning, remote work accommodations, and leave provisions, requiring employer vigilance in maintaining accurate policies and training.
- **Paid Leave:** Because each state may choose its own paid leave adventure, leave policies should also be routinely audited to ensure compliance. In 2026, **Delaware, Minnesota, and Maine’s** Paid Family and Medical Leave (“PFML”) laws go live. Broadly, PFML programs provide wage replacement during leave taken for medical and safety-related issues of employees and their covered family members. Unlike the *unpaid* leave granted under the federal Family and Medical Leave Act (“FMLA”), PFML programs are typically funded through shared employer-employee contributions. **Delaware and Minnesota** employees began receiving PFML benefits as of January 1, 2026. Maine-based employees will receive their benefits beginning May 1, 2026. Maryland employers will begin withholding employee contributions in January 2027, with benefits becoming available the following year.

Beyond PFML, **Alaska and Nebraska** implemented paid sick leave mandates, both allowing employees to earn up to 40 or 56 hours of paid sick time annually depending on the employer’s size. Under both laws, accrued and unused sick time must be carried from one year to the next. Employers with workers in **California, Michigan, Minnesota, Missouri, and Cook County (IL)** should also be mindful of recent changes to their paid leave laws.

- **Protected Characteristics & Shifting Enforcement Priorities:** Following the EEOC's restored quorum in late 2025, the Commission released updated guidance on its enforcement priorities. Specifically, the Commission is shifting its focus to protecting U.S. citizen workers alleging less favorable treatment relative to immigrant workers under [Title VII's national origin protections](#). The Commission is also pursuing [discrimination claims on behalf of white male workers and applicants](#), and reasserting the [right to religious accommodations](#) for faith-based observances and practices. Meanwhile, states and localities continue expanding the characteristics that are protected from adverse employment decisions including hair texture, type, and style ([Gwinnett County, GA](#)); height and weight; housing status; justice-impacted status ([Wisconsin](#); [Minneapolis, MN](#)); among others. Employers' policies are charged with reconciling the demands of their localities with the evolving federal regulatory landscape.
- **Social Media:** Social and political polarization inevitably spills into the workplace – even when workers post online off-duty. Particularly with both federal and local enforcement priorities noted above, workers across the gamut may feel emboldened to make statements online that are not shared or deemed offensive by colleagues, customers, and community members. Meanwhile, states like **California, Connecticut, Colorado, New York, South Carolina, and Wyoming** protect employees from discipline for off-duty conduct or political activity. Employers have the unenviable tasks of creating and effectuating policies that can balance what are often competing interests and claims on the head of a pin. Carefully crafted and contemplated social media policies can help navigate this challenging landscape.

In summary, from AI governance to immigration protections, paid leave expansion, evolving anti-discrimination standards, and employee speech, the compliance demands on employers continue to rise.

For further information specific to employee handbooks information as well as new 2026 laws that may affect handbooks going forward in 2026, **contact Eric Martin at ACG Consulting Services. (949) 452-1840.** Reprinted with permission.