



Affogato HR Consulting partners with our clients to implement practical, appropriate and compliant solutions to HR questions.

The following tasks are recommended to assist with year-end compliance and prepare for the new year. Your Affogato HR Consultant can assist with any questions.

NEW FOR 2026

- ☐ Review Employee Handbook for 2026 compliance. There are only a few handbook updates from 2025 to 2026, so this is a good time to bring an older handbook current.
- ☐ If you are using Automated Decision Making Tools (ADMT) for any employment decision-making (hire, promote, train, transfer, terminate), ensure that you are complying with [regulations](#).

General Compliance

- ☐ If you have more than 5 employees, ensure that all supervisors and employees have received harassment prevention training.
- ☐ Update your Federal and State [compliance posters](#).
- ☐ Update your California [wage order](#) (if applicable).
- ☐ Post city and county posters, such as city minimum wage information.
- ☐ Update required new hire compliance brochures and flyers, including [Survivors Right to Time Off Notice](#)
- ☐ Use the most recent [Wage Theft Notice form](#) for all non-exempt employees.
- ☐ Review and update termination materials.
- ☐ Distribute and post updated holiday schedule. If necessary, enter holiday schedule in payroll or timekeeping system.
- ☐ Review I-9s for current employees to track expiration date of certain documents. See [Handbook for Employers](#) for details.
- ☐ Use the latest [I-9 form](#) for new hires.
- ☐ [Purge](#) I-9 forms for certain former employees.
- ☐ By February 1, provide the [Know Your Rights](#) notice to California employees (check [here](#) for template after January 1)
- ☐ Check your employees' home and work addresses to review applicable local ordinances such as minimum wage, sick leave, and family leave.

Payroll

- ☐ Remind employees to submit year-end expense reports and report address changes to ensure W-2s are sent to the correct address.
- ☐ Ensure all terminated employees are reported in the payroll system.
- ☐ Inform employees how and when 2025 W-2s will be available (by US Mail, email, payroll system).
- ☐ Verify 2026 payroll schedule with payroll provider and announce to employees.
- ☐ Create a process to record any missed meal period and rest period premium pay is recorded on the wage statement in the same pay period.
- ☐ Consider an internal audit of time records and payroll records to ensure accuracy and compliance.

Compensation

- ☐ Check for January 1, 2026 state and local minimum wage increases and make any necessary adjustments. California minimum wage will be \$16.90/hour, higher for certain fast-food and health care workers. If adjustments are made, ensure they are clearly documented in employee personnel files and wage notices.
- ☐ Check for January 1, 2026 minimum exempt salary increases and make adjustments as needed. California minimum exempt salary is \$70,304 in 2026.
 - Computer software professionals have a higher minimum salary requirement of \$122,573.13 per year (that's \$10,214.44 per month or \$58.85 per hour)
- ☐ Update internal compensation ranges and review anyone paid below the minimum or above the maximum.
- ☐ Send out year-end notices for stock options and employee stock purchase plan (if applicable).
- ☐ Update annual bonus and sales compensation plans and obtain signatures (as appropriate).
- ☐ Update offer letter templates to remove loan repayment provisions ("Stay or Pay" prohibited by CA AB 692)
- ☐ If you have 15 or more employees, ensure your job posting template includes the pay scale (the salary or hourly wage range you reasonably expect to pay for the position).
- ☐ If you have 100 or more employees, [report pay data](#) to the California Civil Rights Department by May 13, 2026.
- ☐ If you have 100 or more employees, watch for the deadline to [report data](#) to the EEOC.
- ☐ Ensure that payroll system separates out any non-taxable tips overtime and/or tips.

Benefits

- ☐ Review local paid sick leave requirements. If you use a lump-sum method, reset sick leave balances according to your policy.
- ☐ Ensure employees have not exceeded the 2025 [401\(k\)](#) and health savings account ([HSA](#)) limits; refund any excess deferrals.
- ☐ Confirm 401(k) and HSA limits for 2026 and communicate to employees.
- ☐ Ensure 401(k) annual cap is lifted for the first payroll in January.
- ☐ Ensure that your payroll system allows for the higher catch-up limit for active participants who are 60, 61, 62 or 63 in 2026.
- ☐ Remind employees of FSA claim deadlines.
- ☐ Calculate and report Group Term Life Insurance (GTLI) and domestic partner imputed income for 2025, unless this was reported throughout the calendar year.
- ☐ If you have 50 or more full-time equivalent employees, ensure that you are prepared for ACA reporting deadlines, which are generally March 3 and March 31.
- ☐ Revise communications such as offer letter, benefits summary, recruiting website and Intranet with new benefits information (if applicable).

Safety

- ☐ Review [OSHA documents](#) and complete forms if necessary.
- ☐ Post OSHA 300A in the workplace from February 1, 2026 through April 30, 2026.
- ☐ Review [OSHA electronic reporting requirements](#) and submit OSHA 300a electronically if required.
- ☐ Review your [Workplace Violence Prevention Plan](#) as part of your existing Injury and Illness Prevention Plan.

The above/attached information is not legal advice. It should not be considered a legal opinion as to which laws apply or as to how any law applies to a particular situation. Companies or individuals should seek advice of counsel with regards to their particular situation.