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HR COMPLIANCE BULLETIN

7 Employment Policies to Review in 2025

Employee handbooks are important for establishing employee expectations, addressing workplace issues and defending against potential lawsuits. Failing to update the employment policies in these handbooks regularly can make employers vulnerable to legal risks and liabilities that may result in costly fines, penalties and attorney fees. Employment laws are often complicated, and employers must know about new regulatory developments that may impact their organizations and workforce. The start of the year provides employers with an excellent opportunity to review and update their policies.

Several important legal developments in 2024 include:

- Captive audience bans;
- Final regulations implementing the Pregnant Workers Fairness Act (PWFA);
- Paid medical and family leave laws;
- Creating a Respectful and Open Workplace for Natural Hair (CROWN) Acts;
- Expanded protected classes;
- Pay transparency; and
- Increased enforcement of employees' rights under the National Labor Relations Act (NLRA).

This HR Compliance Bulletin explores seven employment policies employers should consider reviewing in 2025.

Action Steps

Outdated policies can expose organizations to unnecessary legal risks. Regularly reviewing and updating employment policies is an effective and cost-effective way for employers to protect themselves. By understanding the most important rules and regulations to review in 2025, employers can take steps to ensure their employment policies are current and reflect the most recent regulatory developments.

Highlights

Heading into 2025, employers should consider reviewing and updating their workplace policies with respect to the following topics:

- Captive audience bans;
- PWFA reasonable accommodations;
- Paid family and medical leave laws;
- CROWN Acts;
- Expanded protected classes;
- Pay transparency; and
- Employees' NLRA rights.

1. Captive Audience Bans

In 2024, several states passed or introduced legislation to bar employers from requiring employees to attend "captive audience" meetings on religious or political matters. These laws prohibit employers from coercing employees into attending or participating in meetings that are sponsored by the employer and that concern the employer's views on religious or political matters, including union organization. The bans on captive audience meetings generally include exceptions for certain communications that employers are legally required to make.

Currently, 12 states have passed legislation allowing employees to opt out of captive audience meetings, including:

1. Alaska (effective July 1, 2025)
2. California (effective Jan. 1, 2025);
3. Connecticut;
4. Hawaii (bans political speech only);
5. Illinois (effective Jan. 1, 2025);
6. Maine;
7. Minnesota;
8. New Jersey;
9. New York;
10. Oregon;
11. Vermont; and
12. Washington.

This trend is likely to not only continue in 2025 but also grow. For example, Maryland, Massachusetts, New Mexico and Rhode Island have introduced similar laws that remain under consideration. Additionally, on Nov. 13, 2025, the National Labor Relations Board (NLRB) ruled that an employer violates the NLRA by requiring employees, under the threat of discipline or discharge, to attend a meeting in which the employer expresses its views on unionization. This decision only applies to future NLRB cases.

In light of this trend, employers should consider reviewing their employment policies regarding workplace meetings. For example, employers can draft policies that clearly indicate that workplace meetings regarding religious or political matters are voluntary and that employees will not be punished or benefited for either attending or not attending those meetings. Employers can also ensure that discussions of political or religious matters during required meetings, including discussions related to unionization, are prohibited.

2. PWFA Accommodations

The PWFA, which went into effect on June 27, 2023, requires reasonable accommodations for a qualified individual's limitations related to pregnancy, childbirth and related medical conditions. The PWFA requires employers with at least 15 employees to provide reasonable accommodations to workers with known limitations related to pregnancy, childbirth or related medical conditions unless the accommodation will cause the employer an "undue hardship." On April 15, 2024, the U.S. Equal Employment Opportunity Commission (EEOC) issued a final rule to implement the PWFA, which went into effect on June 18, 2024. The final regulation clarifies definitions and limitations under the PWFA and seeks to help employers understand their duties under the law. The final rule includes information to help employers meet their responsibilities under the new law.

The PWFA has significantly expanded workplace rights and protections for employees affected by pregnancy, childbirth and related conditions, and employers will likely continue to face increased compliance burdens and litigation risks as they attempt to comply with the law. For example, under the PWFA, an individual affected by pregnancy or related conditions may be entitled to a reasonable accommodation for any need or problem they may have related to their personal health or the health of the pregnancy, regardless of severity. Additionally, many accommodations sought under the PWFA will likely be for modest or minor changes in the workplace for limitations that are temporary. The EEOC has also determined that four types of modifications, known as "predictable assessments," will, in virtually all cases, be found to be reasonable accommodations that do not impose an undue hardship when sought by a pregnant worker. These modifications include allowing the pregnant individual to:

1. Carry and drink water as needed;
2. Take additional restroom breaks;
3. Sit, for those whose work requires standing, and stand, for those whose work requires sitting; and
4. Take breaks as needed to eat and drink.

Since the law's enactment, the EEOC has prioritized enforcing the PWFA, as evidenced by the agency filing five merit lawsuits under the law in fiscal year (FY) 2024. The agency will likely continue focusing on PWFA-related enforcement efforts in 2025 and beyond. Additionally, the number of private lawsuits claiming employers failed to accommodate pregnant workers will likely increase in 2025. As such, employers should review and familiarize themselves with this law.

Savvy employers will look at the EEOC's final PWFA regulations and consider including a policy in their 2025 employee handbook that explicitly addresses PWFA accommodations. Moreover, forward-thinking employers will increasingly engage in the interactive process with covered employees and applicants who require accommodations under PWFA. Establishing clear and written policies and procedures for pregnancy accommodations is a best practice for employer consistency and transparency. Employers can do this by articulating the employer's commitment to assisting employees, outlining the employer's process for requesting accommodations, specifying available accommodations and providing guidelines for assessing requests. Employers must also ensure that these policies align with not only all provisions of the PWFA but also those of all applicable federal, state and local laws to support legal compliance.

3. Paid Family and Medical Leave

Paid family and medical leave laws ensure workers continue receiving a portion of their wages when they're unable to work under certain circumstances, such as illness or the birth of a child. In 2024, many states and localities enacted paid leave laws, and several states have proposed paid leave legislation pending. The trend of paid leave is expected to continue in 2025 as more states adopt paid family, medical and sick leave laws. For example, in 2025, paid leave laws will become effective in Alaska, Maryland, Maine, Delaware and Michigan. Currently, nearly one-third of states (and the District of Columbia) have passed their own paid sick leave laws.

The requirements of each such law can differ significantly, which can raise compliance challenges—particularly for employers with a distributed workforce. In particular, each paid sick leave law may vary with respect to the amount of leave employees can take, the reasons leave may be taken, the method of accrual, and whether and in what circumstances sick leave can carry over from year to year. Additionally, some states are expanding the circumstances in which employees may take paid leave. For example, New York requires paid prenatal personal leave starting in 2025.

Because of the increasing number of states and localities adopting paid leave laws, employers need to ensure their leave policies are current and comply with local laws. It is critical to review existing policies to confirm they conform to state

and local regulations of the location where employees physically work. An employer's leave policies can clearly explain when employees are eligible for paid leave and any steps they must follow to request it. Employers should also verify their leave policies do not unintentionally discriminate against employees based on a protected class.

4. CROWN Acts

CROWN Act legislation has gained traction across state and local legislatures in recent years. As of 2024, 27 states and more than 50 localities have passed a CROWN Act. These laws intend to eliminate discrimination based on traits historically associated with race—specifically, hair textures and hairstyles. CROWN laws generally prohibit racially discriminatory workplace dress codes and hygiene policies that ban employees from maintaining certain hairstyles commonly or historically associated with race, such as afros, braids, twists, cornrows, locs and other similar hairstyles.

In 2024, a nationwide CROWN Act was introduced in both houses of the U.S. Congress. Similar legislation was blocked in 2019 and 2022, so it is unclear whether the 2024 effort will experience the same fate. Nonetheless, employers should continue to track both state and federal legislation and take measures to ensure employees are protected from discrimination on the basis of such traits historically associated with race. Looking ahead to 2025, the EEOC has signaled that it will pursue discrimination claims related to hair texture and style.

As more states and localities adopt hair discrimination laws, employers must ensure their workplace dress codes, grooming policies and related handbook provisions are current and comply with state and local laws. It is critical to review existing policies to ensure they accommodate different hairstyles by not banning or restricting certain hair textures and styles that are associated with race, national origin and ethnicity.

5. Expanded Protected Classes

In general, employers may not discipline, discharge, refuse to hire or otherwise discriminate in terms, privileges or conditions of employment on the basis of an individual's protected class. Federal antidiscrimination laws protect individuals from discrimination based on race, color, religion, sex (including pregnancy, gender identity and sexual orientation), national origin, disability, age (40 or older) and genetic information. In recent years, several states have expanded the scope of characteristics that are protected under their antidiscrimination laws.

In addition to hair-based discrimination protections discussed above, states and municipalities have expanded antidiscrimination protections to the following classes:

- Height and weight (Michigan, District of Columbia and New York City);
- Caste (Seattle and Fresno);
- Marital or family status (nearly half of states);
- Actual or perceived family responsibilities (Illinois);
- Reproductive health decisions, including termination of pregnancy (California, Delaware, Hawaii, Illinois and New York);
- Sexual orientation, gender expression and gender identity (more than half of states);
- Military status (California, Connecticut, Illinois, Massachusetts, New Jersey, New York, Ohio, Rhode Island, Virginia and Washington); and
- Victims of domestic violence (California, Connecticut, New York, Illinois and Rhode Island).

Employers must ensure that their workplace policies keep up with the expansion of protected classes under state and local antidiscrimination laws. Employers should review and revise their discrimination policies to address any new

protected classes in the locations where their employees are located. Additionally, employers should monitor for state and local legislative action expanding protected classes that may impact their workforce.

6. Pay Transparency

Pay transparency laws have increased in recent years, and states continued to pass and introduce pay transparency legislation in 2024. In general, pay transparency is when an employer openly communicates pay-related information to prospective and current employees through established practices. These laws aim to address pay inequality and promote wage transparency by requiring employers to disclose compensation information and increasing employee access to salary data. While these laws vary in their requirements, they often require employers to post salary ranges in job postings or disclose salary information to existing employees and job applicants.

Colorado started the trend of pay transparency laws when it enacted the first legislation of its kind in 2021. Between 2021 and 2024, additional pay transparency laws took effect in Maryland, Connecticut, Nevada, Rhode Island, Washington, California, New York and several municipalities. More states continued the trend in 2024, with new pay transparency legislation taking effect in Hawaii and the District of Columbia, along with expanded requirements in Maryland. Additional pay transparency laws will take effect on Jan. 1, 2025, in Illinois, Minnesota and Vermont and on July 31, 2025, in Massachusetts. As applicable laws and regulations related to pay transparency vary based on jurisdiction, employers must consider their legal obligations. This involves any jurisdiction where their employees physically work. Some jurisdictions' laws only require employers to provide pay ranges if the candidate requests it; others, like California's pay transparency law, require employers to disclose this information upfront.

Given the rapid spread of pay transparency laws, even if employers are currently unaffected by pay transparency mandates, they should consider developing strategies to address this issue, as pay transparency likely already impacts them directly or indirectly. Employers can protect themselves and help ensure compliance with applicable laws by understanding applicable pay transparency requirements and regularly reviewing job postings. Employers should consider implementing practices—such as publishing pay scales for their open positions or hosting informational training sessions on pay-related topics—and updating their employment policies accordingly.

7. NLRA Employee Rights

Section 7 of the NLRA grants employees the right to engage in concerted activity for the purpose of collective bargaining and mutual aid or protection. These protections apply to both unionized and nonunionized nonsupervisory employees. Concerted activity generally includes any activity by a group of employees attempting to improve wages, hours and working conditions for the group. As a result, the NLRA generally prohibits employers from maintaining or applying policies that interfere with employees' rights to engage in union or other concerted activities.

In recent years, the NLRB has been very active in enforcing the NRLA. During the first half of FY 2024, there was a 7% increase in unfair labor practices (ULP) charges. This increase in ULP charges follows a trend over the last few years. For example, in FY 2023, ULP charges increased 10% compared to FY 2022 and 19% in FY 2022 compared to FY 2021.

In addition to prioritizing enforcement actions, the board has expanded potential remedies under the NLRA, placed restrictions on confidentiality and nondisparagement provisions in severance agreements of nonsupervisory employees, and revised its test for determining whether an employer's policy or workplace rule infringes on employees' protected concerted activity. Therefore, it's critical that employers ensure their workplace policies related to employee conduct and

speech do not infringe upon employees' rights under Section 7. Employers should consider reviewing the following policies:

- Personal conduct;
- Nondisparagement;
- Conflicts of interest;
- Confidentiality provisions related to wages, discipline, investigations and harassment complaints;
- Outside employment;
- Audio and video recording in the workplace;
- Restrictions on speaking to the media;
- Electronic communications;
- Complaint policies;
- Class action waivers;
- Dress codes and uniform policies;
- Solicitation and distribution policies;
- At-will employment waivers; and
- Social media policies.

Moving into 2025, employers should review their workplace policies to make sure they are not drafted in a way that may chill an employee's right to organize and engage in protected concerted activity or address whistleblower activity.