

Your Ultimate HR Compliance Checklist



HR compliance is a core responsibility of human resources teams. Consistently adhering to employment laws protects your people, promotes fairness, and reduces legal risk to your company. Compliance underpins a positive culture and helps your organization operate smoothly, no matter how regulations evolve.

Over the past several years, sweeping changes like pay transparency and the use of AI have created new challenges. As soon as new requirements take effect, it is up to HR leaders — and your legal counsel — to update policies and make sure your team stays informed.

Fast Facts About HR Compliance

- Violating the Fair Labor Standards Act (FLSA) **can lead to fines** of \$1,000 to \$10,000.
- Pay transparency **violations can cost up to \$250,000**.
- Wage settlements **cost businesses hundreds of millions** of dollars.

Noncompliance can have serious consequences for your company. Regularly reviewing processes and policies will help you keep up with changing requirements and maintain safe, equitable workplaces for every employee. Use this checklist, in partnership with your legal team, to cover critical areas and ensure your organization remains compliant.

Common Compliance Pitfalls (And How To Avoid Them)

Overlooking compliance often comes down to four issues: outdated policies, uneven enforcement, missing paperwork, or missing local requirements.

Here's how to prevent these pitfalls:

- Schedule regular reviews of all policies and update them when laws change.
- Apply rules consistently across all teams and document how policies are enforced.
- Maintain organized, up-to-date records for training, audits, and employee files.
- Track requirements for each location and tailor processes to meet local and state laws.

Regular, well-documented reviews and clear processes help your team stay compliant and ready for audits.

HR Compliance Checklist

Recruiting and Hiring

- Job descriptions are up-to-date and ADA-compliant, accurately reflecting required skills and responsibilities.
- All application and interview materials comply with federal, state, and local laws and contain no prohibited or discriminatory language.
- Fair hiring practices are in place and compliant with Equal Employment Opportunity (EEO) regulations.
- Background and reference checks are conducted with proper authorization and in compliance with applicable regulations.
- Candidates' qualifications and experience are verified.
- I-9 employment eligibility verifications are completed and retained in line with regulations.
- Participation in E-Verify, if required by law.
- Drug testing policies align with current legislation.
- Interview questions are standardized and free from bias.

Compensation and Benefits

- All pay practices meet FLSA and relevant state law requirements.
- Employees and independent contractors are correctly classified.
- Pay periods are scheduled regularly based on state or federal payment timing requirements.
- Compensation and incentive programs are developed without discrimination.
- Employee benefits comply with ERISA, FMLA, and the Affordable Care Act.
- Benefit plans and options are communicated to employees, and they are promptly notified of any changes.
- Overtime is documented and paid according to the law.
- COBRA** guidelines are followed, with proper notice provided.
- All leave, paid time off, and flexible work programs are regularly reviewed for ongoing compliance.

Performance Management

- Roles, responsibilities, and performance expectations are clearly communicated and documented for all employees.
- Regular, fair performance reviews are conducted and recorded.
- Management receives ongoing compliance and performance review training.
- Promotions and rewards are based on objective, well-defined criteria.

Employee Training and Development

- Provide regular compliance training (e.g., anti-harassment, safety, data privacy).
- Track and document training completion for all staff.
- Update L&D programs to align with legal changes and best practices.
- Ensure training materials are clear, inclusive, and accessible.
- Encourage employee participation in development opportunities.
- Partner with experts to validate training content.

Termination and Offboarding

- Performance issues, disciplinary actions, and investigations are well documented and consistently managed.
- Termination policies meet wrongful discharge laws and are clearly communicated.
- Exit processes are standardized, including the retrieval of company property and data.
- Exiting employees receive summaries of accrued benefits and are informed of health coverage and retirement options.
- Final paychecks are delivered according to legal requirements.

Using AI in HR

- Vet all HR-related AI tools for fairness and legal compliance.
- Regularly audit AI systems for bias, and document your reviews.
- Keep human oversight on AI-driven decisions.
- Follow all relevant laws and update your AI policies as regulations evolve.
- Inform employees how AI is used and their related rights.

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**This checklist is for informational purposes only and does not constitute legal advice. It may not cover all laws and regulations in your area, and organizations should seek legal counsel for compliance.*