

California Employee Handbook Compliance Analysis Report

Handbook Analyzed: handbook2
Analysis Date: February 07, 2026
Generated By: Axiom Legal Workflow
Compliance Grade: B

Executive Summary

This handbook was analyzed against 20 California employment law requirements. The handbook demonstrates good compliance with an overall grade of B. 15 items are fully compliant. 5 items are non-compliant and require immediate attention to avoid legal exposure. There are 2 critical issues that pose high legal risk and should be addressed as a priority. These issues are detailed in the Critical Issues section below.

Compliance Score

15 out of 20 items compliant (75%)

Compliant Items	15
Partially Compliant Items	0
Non-Compliant Items	5
Total Items Reviewed	20

■■ Critical Issues Requiring Immediate Attention

The following 2 high-risk items require immediate remediation to avoid potential legal liability:

1. Missing PAGA Notice

Employees must be informed of their right to file Private Attorneys General Act claims for Labor Code violations. This is a significant compliance gap that could result in penalties.

2. Missing AI/Automated Decision Systems Policy

With new 2026 requirements, employers must disclose use of AI or automated systems in employment decisions. This is becoming increasingly important as technology adoption grows.

Detailed Compliance Analysis

1. At-Will Employment Disclaimer

Legal Citation:	Labor Code §2922
Status:	Present
Found on Pages:	Page 5, Page 9
Risk Level:	Low
Assessment:	Compliant. Clear disclaimer stating employment is at-will, can be terminated with or without cause by either party, and only the highest-level officer can modify this arrangement in writing.
Recommendation:	None needed

2. Equal Employment Opportunity Policy

Legal Citation:	Gov. Code §12940
Status:	Present
Found on Pages:	Page 7
Risk Level:	Low
Assessment:	Compliant. Comprehensive policy covering all protected classes including recent additions like hair texture/protective hairstyles, reproductive health decision-making, and lawful off-duty cannabis use.
Recommendation:	None needed

3. Anti-Harassment Policy

Legal Citation:	Gov. Code §12940
Status:	Present
Found on Pages:	Pages 9-11
Risk Level:	Low

Assessment:	Compliant. Detailed policy prohibiting harassment based on all protected characteristics, includes definitions of gender identity, expression, and transgender status.
Recommendation:	None needed

4. Harassment Complaint Procedure

Legal Citation:	Gov. Code §12950
Status:	Present
Found on Pages:	Pages 9-11
Risk Level:	Low
Assessment:	Compliant. Clear reporting procedures, investigation process, anti-retaliation provisions, and references to EEOC and California Civil Rights Department.
Recommendation:	None needed

5. Meal Break Policy

Legal Citation:	Labor Code §512
Status:	Present
Found on Pages:	Pages 17-18
Risk Level:	Low
Assessment:	Compliant. Detailed policy covering 30-minute unpaid meal breaks for shifts over 5 hours, second meal break for shifts over 10 hours, timing requirements, and waiver provisions.
Recommendation:	None needed

6. Rest Break Policy

Legal Citation:	Labor Code §226.7
Status:	Present
Found on Pages:	Page 17

Risk Level:	Low
Assessment:	Compliant. Clear policy for 10-minute paid rest breaks every 4 hours worked, includes break schedule table and premium pay provisions for missed breaks.
Recommendation:	None needed

7. Overtime Policy

Legal Citation:	Labor Code §510
Status:	Present
Found on Pages:	Pages 18-19
Risk Level:	Low
Assessment:	Compliant. Comprehensive policy covering time-and-a-half for hours over 8 per day and 40 per week, double-time provisions, and alternative workweek schedules.
Recommendation:	None needed

8. Paid Sick Leave

Legal Citation:	Labor Code §246
Status:	Present
Found on Pages:	Pages 21-22
Risk Level:	Low
Assessment:	Compliant. Covers eligibility (30+ days worked), usage after 90 days, family member definitions, designated persons, and concurrent leave provisions.
Recommendation:	None needed

9. California Family Rights Act

Legal Citation:	Gov. Code §12945.2
Status:	Present

Found on Pages:	Pages 30-34
Risk Level:	Low
Assessment:	Compliant. Detailed CFRA/FMLA policy covering eligibility, reasons for leave, notice requirements, medical certification, benefit maintenance, and job restoration.
Recommendation:	None needed

10. Pregnancy Disability Leave

Legal Citation:	Gov. Code §12945
Status:	Present
Found on Pages:	Pages 34-37
Risk Level:	Low
Assessment:	Compliant. Comprehensive policy covering reasonable accommodations, leave eligibility, benefit maintenance, and job restoration provisions.
Recommendation:	None needed

11. Wage Statement Requirements

Legal Citation:	Labor Code §226
Status:	Present
Found on Pages:	Pages 19-20
Risk Level:	Low
Assessment:	Compliant. Policy addresses paycheck contents, deductions, error reporting, and anti-retaliation provisions for wage concerns.
Recommendation:	None needed

12. Personnel Records Access

Legal Citation:	Labor Code §1198.5
Status:	Missing

Found on Pages:	Not found
Risk Level:	Medium
Assessment:	Non-compliant. No policy regarding employee right to inspect and copy personnel records.
Recommendation:	Add policy stating employees have right to inspect and receive copies of personnel records within 30 days of written request

13. Expense Reimbursement

Legal Citation:	Labor Code §2802
Status:	Present
Found on Pages:	Page 20
Risk Level:	Low
Assessment:	Compliant. Policy covers reimbursement for necessary work-related expenses including vehicles, cell phones, tools, uniforms, and business travel.
Recommendation:	None needed

14. PAGA Notice

Legal Citation:	Labor Code §2699
Status:	Missing
Found on Pages:	Not found
Risk Level:	High
Assessment:	Non-compliant. No notice informing employees of their right to file PAGA claims for Labor Code violations.
Recommendation:	Add notice informing employees they may file claims under the Private Attorneys General Act for Labor Code violations

15. Lactation Accommodation

Legal Citation:	Labor Code §1031
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Status:	Present
Found on Pages:	Page 8
Risk Level:	Low
Assessment:	Compliant. Policy covers break time for nursing employees, suitable location requirements, and anti-retaliation provisions.
Recommendation:	None needed

16. Whistleblower Protection

Legal Citation:	Labor Code §1102.5
Status:	Present
Found on Pages:	Page 47
Risk Level:	Low
Assessment:	Compliant. "Reporting Violations" policy encourages good faith reporting of legal violations and prohibits retaliation.
Recommendation:	None needed

17. Anti-Retaliation Policy

Legal Citation:	Labor Code §98.6
Status:	Present
Found on Pages:	Multiple pages (integrated throughout various policies)
Risk Level:	Low
Assessment:	Compliant. Anti-retaliation language is included in harassment, wage/hour, sick leave, and other relevant policies.
Recommendation:	None needed

18. AI/Automated Decision Systems Policy

Legal Citation:	SB 1001 (2024) - effective 2026
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Status:	Missing
Found on Pages:	Not found
Risk Level:	High
Assessment:	Non-compliant. Missing required disclosure of AI/automated systems used in employment decisions (effective 2026).
Recommendation:	Add policy disclosing use of AI or automated decision-making systems in hiring, performance evaluation, or other employment decisions

19. Emergency Contact Designation

Legal Citation:	SB 294 (2024) - effective 2026
Status:	Missing
Found on Pages:	Not found
Risk Level:	Medium
Assessment:	Non-compliant. Missing required policy allowing employees to designate emergency contacts for workplace safety incidents.
Recommendation:	Add policy allowing employees to designate emergency contacts and procedures for notification during workplace emergencies

20. Workers' Rights Notice

Legal Citation:	SB 294 (2024) - effective 2026
Status:	Missing
Found on Pages:	Not found
Risk Level:	Medium
Assessment:	Non-compliant. Missing enhanced workers' rights notice requirements.
Recommendation:	Add comprehensive workers' rights notice covering all California labor law protections

This analysis is provided for informational purposes only and does not constitute legal advice. Please consult with a qualified employment law attorney for specific legal guidance.