

# 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

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

## 7. Overtime Policy

<b>Legal Citation:</b>	Labor Code §510
<b>Status:</b>	Present
<b>Found on Pages:</b>	Pages 18-19
<b>Risk Level:</b>	<b>Low</b>
<b>Assessment:</b>	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.
<b>Recommendation:</b>	None needed

## 8. Paid Sick Leave

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

## 9. California Family Rights Act

<b>Legal Citation:</b>	Gov. Code §12945.2
<b>Status:</b>	Present

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

## 10. Pregnancy Disability Leave

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

## 11. Wage Statement Requirements

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

## 12. Personnel Records Access

<b>Legal Citation:</b>	Labor Code §1198.5
<b>Status:</b>	Missing

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

### 13. Expense Reimbursement

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

### 14. PAGA Notice

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

### 15. Lactation Accommodation

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

## 16. Whistleblower Protection

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

## 17. Anti-Retaliation Policy

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

## 18. AI/Automated Decision Systems Policy

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

## 19. Emergency Contact Designation

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

## 20. Workers' Rights Notice

<b>Legal Citation:</b>	SB 294 (2024) - effective 2026
<b>Status:</b>	Missing
<b>Found on Pages:</b>	Not found
<b>Risk Level:</b>	<b>Medium</b>
<b>Assessment:</b>	Non-compliant. Missing enhanced workers' rights notice requirements.
<b>Recommendation:</b>	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.*