

Is Your HR Ready for 2026?



2026 Mid-Market Business HR Checklist

COMPENSATION & BENEFITS

Review salary structures and total rewards strategy

Are your pay band, bonus structures and time-off policies still competitive and aligned with your talent market?

Audit bonus and non-cash compensation reporting

Ensure you're properly reporting bonuses, gift-cards or non-cash incentives (W-2, etc.).

Update benefit thresholds and tax-credit eligibility

The IRS and benefit regulators are adjusting health plan thresholds (e.g., HDHP/HSA) and employer tax-credits (e.g., for dependent care FSAs) in 2026. Confirm eligibility and update plan documents accordingly.

Confirm minimum-wage and pay-floor increases

Many states/localities have scheduled increases effective January 1, 2026. Verify across all jurisdictions you operate in and update your payroll system.

Address pay transparency and disclosure requirements

Some states have enhanced requirements for pay-range disclosure (job postings, applicant requests) and expanded statutes of limitation for equal-pay claims. Example: California's SB 642.

Action Tip: Conduct a mid-year total rewards review to align compensation, benefits, and recognition under one unified strategy that supports retention and employer brand.

EMPLOYEE ENGAGEMENT & RETENTION

- Audit training & development programs**
Ensure your L&D offerings are aligned with business goals, skill needs (e.g., hybrid/remote work, digital competence, leadership) and accessible.
- Evaluate recognition and career-path frameworks**
Make recognition inclusive, consistent and tied to your culture. Are career paths clearly communicated, especially for hybrid/remote roles?
- Strengthen succession and mobility planning**
For executive/manager level roles (consistent with your practice) ensure you have identified backups and internal mobility opportunities.
- Evaluate employee experience in remote/hybrid models**
Given ongoing workforce shifts, evaluate how your onboarding, connection, culture and performance models are working for distributed teams.

Action Tip: Use quarterly pulse surveys to track engagement and retention risk indicators, then link those insights to manager accountability and performance goals.

COMPLIANCE & LEGAL UPDATES

- Conduct a wage & hour compliance audit**
Review overtime, travel time, on call pay, exempt vs non-exempt status, especially if job duties have shifted.
- Confirm exempt employee thresholds under FLSA**
Confirm you're meeting the duties and salary threshold under the FLSA , and revisit if roles have evolved.
- Verify I-9 compliance and remote verification processes**
Ensure all new hires' I-9s are complete and stored correctly; consider remote verification processes if applicable.
- Update employee handbook & policies**
Review for federal, state, and local compliance, including updates to leave laws, pay transparency, data privacy, and remote work policies. Communicate changes to all staff.
- Monitor state-specific legislative changes**
Stay current on 2026 updates like California's SB 642 (expanded pay transparency) or New York's wage theft and recordkeeping laws. Build a compliance calendar by jurisdiction.
- Ensure labor law postings and recordkeeping compliance**
With new laws in many jurisdictions, confirm your labor law posters, multilingual notices (where required) and personnel file protocols are updated.

Reassess worker classification risks

The DOL's evolving contractor and joint employer definitions may impact staffing, vendor relationships, and benefits eligibility. Update vendor agreements and reissue 1099 documentation procedures, noting the increased reporting threshold (\$2,000 in 2026).

Action Tip: Schedule an annual compliance audit, whether internal or via a third-party firm like XpanseHR, to identify potential exposure areas before they escalate.

HR TECHNOLOGY & TOOLS

Evaluate HRIS, payroll, and performance systems

Are your systems serving you efficiently and providing good user experience for employees and managers?

Automate where feasible

Consider automating onboarding, offboarding, compliance tracking, performance workflows to reduce administrative burden.

Data security and privacy controls

With growing regulatory attention on privacy and data retention, confirm your HR system is secure, vendor contracts compliant, and you have a retention/destruction schedule.

Analytics and reporting capabilities

Ensure you can surface meaningful metrics (time to fill, turnover, diversity metrics, wage gap, performance trends) to drive strategy.

Remote/hybrid workforce enablement

Confirm your technology supports distributed work (secure access, communication, monitoring, performance check ins) and is aligned with policy.

Action Tip: Plan a 2026 HR tech audit. Evaluate ROI of all platforms and consider consolidating vendors to improve efficiency and cost management.

RISK MANAGEMENT & SAFETY

Review workplace safety policies

Beyond traditional physical risks, assess risks from hybrid/remote work (ergonomics, home office safety), wellness programs, and emerging exposures.

Insurance coverage and audits

Confirm workers' comp, EPLI (employment practices liability insurance), and other coverages are current and reflect your organization's risk profile.

Emergency and crisis response plans

Ensure your business continuity plan is up to date (pandemic response, cyber incident, natural disasters) and that employees know their roles.

Workplace harassment, violence, and bias prevention

Train managers and staff frequently, revisit policies, ensure complaint mechanisms are functioning and investigations are documented.

Environmental/OSHA rules changes

Be aware of evolving safety standards (e.g., indoor-air quality, heat-illness prevention) especially for onsite/hybrid operations.

Track Harassment and Bias Prevention Training

Document completion dates for required training to demonstrate compliance and reinforce a respectful workplace.

Action Tip: Create a quarterly safety and compliance scorecard for HR and operations to track progress and emerging risk trends.

TALENT ORGANIZATIONAL ALIGNMENT

Update job descriptions

Ensure each job description reflects current responsibilities, performance expectations, hybrid/remote work status and required competencies.

Link performance management to business goals

Performance reviews and development plans should clearly align with organizational strategy, not just individual tasks.

Workforce planning & agility

Forecast talent needs (both full-time and contingent) aligned with business growth or disruption; include scenario planning for skill gaps, retirements, automation.

Diversity, equity & inclusion (DEI) strategy

While federal DEI regulations continue to evolve, remain proactive: track diversity metrics, review inclusive hiring practices, review pay equity.

Action Tip: Facilitate a leadership workshop in Q1 2026 to align business strategy, workforce planning, and talent priorities.

OPERATIONAL EFFICIENCY & STRATEGIC PLANNING

Automate manual HR processes

Identify repetitive administrative tasks (e.g., timesheet approvals, benefits enrollment, onboarding) that can be streamlined to free HR for strategic work.

Refocus leadership time toward strategy

Shift HR and leadership time from transactional (hiring, discipline, paperwork) to strategic (talent-management, leadership pipeline, workforce analytics).

Build or update a HR roadmap for 2026

Define key HR initiatives for the year (talent-acquisition surge, DEI initiative, HR-tech upgrade, leadership development) and align them with business priorities.

Reevaluate vendor/outsourcing strategy

Review your HR-services vendors (payroll provider, HRIS, benefits broker, EAP) and assess whether their services meet your strategic goals and value expectations.

Culture & employee-experience refresh. In a competitive talent market, your culture must fit the workforce mix (on-site, remote, hybrid, contingent) and reflect your strategic HR brand positioning.

Action Tip: Set a recurring “HR Business Review” cadence, quarterly sessions with executive leadership to align HR metrics, progress, and priorities with company goals.

YOUR NEXT STEPS

1. **Conduct a Gap Audit (Q4 2025)**

Mark items that are current vs. require action or review.

2. **Assign Owners & Deadlines**

Document responsibility (HR, Finance, Operations, vendor) and target completion dates for Q1 2026.

3. **Communicate Your 2026 HR Roadmap**

Share priorities, timelines, and impacts with leadership and department heads to secure buy-in.


4. **Track and Adjust Quarterly**

Revisit progress each quarter; update based on regulatory changes, workforce shifts, or organizational priorities.

PUT YOUR 2026 STRATEGY INTO ACTION

Staying ahead requires more than compliance, it takes a strategic partner.

Let XpanseHR help you close the gaps, align your HR roadmap with business goals, and position your organization for success in 2026.

 610-614-5500

 info@xpansehr.com

 xpansehr.com

