



# The Cost of Non-Compliance

## Pitfalls and Proactive Strategies for Employers from an Accounting and Legal Perspective

(Plus, a Colorado Employment Law Update!)



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# PANEL INTRODUCTIONS



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# COMMON MISTAKES

- Lack of Software Training
- Don't Know What You Don't Know
- Unclear Expectations / Communication
- Remote Workforce



# “WAR STORIES”

- No payroll system in place.
- Real Rate of Pay
- Not understanding the complete story.



# BEST PRACTICES

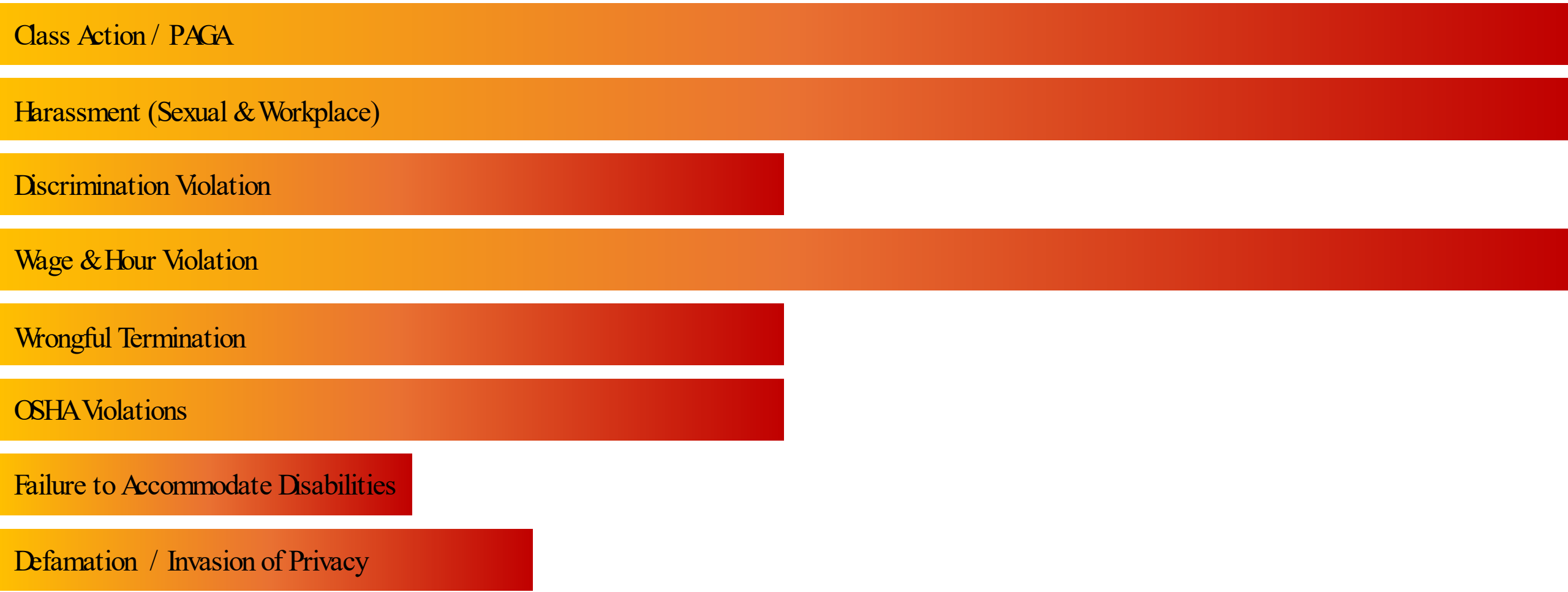
- Hire with termination in mind.
- Be their employer not a friend.



# COSTS OF NON-COMPLIANCE

## MOST COMMON HR PENALTIES

If taken to trial or goes to litigation, risk grows.



\$10K

\$100k

\$500K

\$1 MILLION



# REQUIREMENTS CHECKLIST

- Integrated payroll & HR
- Business balance

# Legal Update: 2024

COLORADO FAMILY  
BENEFITS START



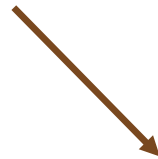
\$500

ENSURE EQUAL  
PAY FOR EQUAL  
WORK ACT



\$10,000

JOB APPLICATION  
FAIRNESS ACT

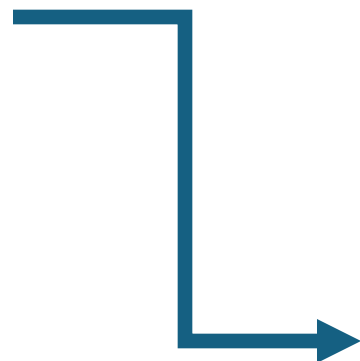
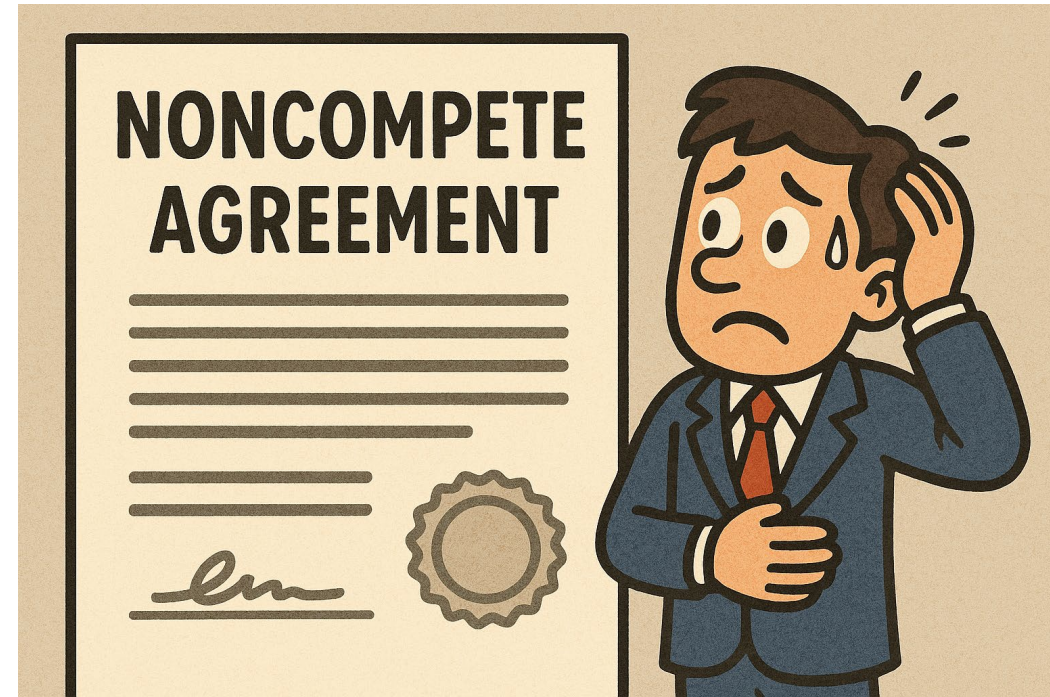


\$2,500



# Legal Update:

- Historically, state-by-state
- April 23, 2024, the Federal Trade Commission issues Final Rule Ban
- Legal challenges
- Stay lifts July 2025



Federal  
Defend Trade Secrets Act  
(18 U.S. Code § 1836)  
-Correction-

Colorado  
Non-Compete Statute  
(C.R.S. § 8-2-113)  
-Prevention-

# Legal Update: The Future



## Colorado AI Act (SB 24-205)

- February 1, 2026
- “High-risk” AI system is one that makes a “consequential decision”  
→ material effect on (1) employment or an employment opportunity, (2) financial or lending service, (3)...
- Prohibits algorithmic discrimination
- “Developers” v. “Deployers”
- Enforced by attorney general only
- Employer Requirements:
  - Notification
  - Risk management policy
  - Impact assessment



QUESTIONS



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