

Labor + Employment Workforce Watch – April 2026

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Labor + Employment Workforce Watch is a guide to the employment law developments most likely to impact your business. The Troutman Pepper Locke Labor + Employment team represents employers in the most sensitive workplace matters, enabling our clients to concentrate on their core business operations. Our team is adept at handling and managing labor and employment issues on national, international, and local levels. Recognized as a leading law firm by *Chambers USA*, our attorneys provide comprehensive advice on every type of employment issue a company may encounter, at every stage of the employment life cycle.

In This Issue:

Evolving AI Tools and Reliance in the Workplace: Key Developments Employers Need to Know

By [Kristalyn Lee](#) and [Amanda McCloskey](#)

It started as merely trying out artificial intelligence (AI) tools. Now, more and more employers (and their employees) are relying on AI for their everyday operations, including drafting emails and summaries, screening and ranking applicants, managing employee performance, and answering routine questions. This expanded role has changed AI from a casual acquaintance into a new “co-worker” that can influence employment decisions, outcomes, and experiences. Employers are reviewing AI tools, assessing risks and deciding which tools are authorized in their workplace and for what purpose. Courts and regulators are also reviewing AI tools more closely, focusing on discrimination, transparency, monitoring, and protection of confidential information.

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Travel Time for FMLA Medical Appointments and Telework Accommodations for Disabilities: Two 2026 Developments Employers Shouldn't Ignore

By [Conner Porterfield](#) and [Sara Longtain](#)

In 2026, managing employees can feel a bit like being an air traffic controller. Some employees are coming and going for medical appointments, others want to stay “in the clouds” working remotely, and employers are trying to keep everything moving without a collision. Two recent federal developments may not alter the entire flight plan but sharpen the rules of the runway by clarifying when travel time is protected leave and how telework should be evaluated as a potential accommodation.

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FTC Clarifies Enforcement Priorities and Philosophy on Worker Noncompetes

By [Mariam Bicknell](#) and [Mark Payne](#)

Since our [September 9, 2025, analysis](#) of the Federal Trade Commission's (FTC) view on enforcement of employee noncompetes, the FTC has articulated its intent to scrutinize overbroad noncompetes in the employment context on a case-by-case basis — targeting specific practices it views as anticompetitive.

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Washington's New Noncompete Prohibition: Compliance Roadmap for Employers

By [Grace Goodheart](#)

Noncompete agreements in Washington now have an expiration date: June 30, 2027. As of that date, it will no longer be lawful for employers to enter into or attempt to enforce noncompete agreements with workers in Washington state, regardless of income level.

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DOL Opinion Letter Provides a Compliance Roadmap for Including Bonuses in Overtime Calculations

By [Amar Shabeeb](#)

In early 2026, the U.S. Department of Labor's (DOL) Wage and Hour Division [issued](#) six opinion letters providing guidance on the federal labor standards under the Fair Labor Standards Act (FLSA) and the Family and Medical Leave Act. In [one](#) of these letters, the DOL addressed a key topic for employers: how and when bonuses are incorporated into overtime calculations. In particular, the DOL explained the circumstances under which bonus payments may be excluded from an employee's regular hourly rate of pay and, when they cannot, how those bonuses must be factored into the employee's regular rate and overtime calculation.

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The View From London: 'New Deal for Working People' (Part 2 of 2)

By [Nick Elwell-Sutton](#)

The UK government elected in July 2024 has directed a flurry of activity toward implementation of its flagship "New Deal for Working People," which it has billed as the largest strengthening of employment rights in a generation. Although still within the latter stages of the legislative process, and with many finer points still to be decided, the framework and timing of this "New Deal for Working People" is taking shape. Below, we set out a guide to some of the forthcoming changes, the anticipated timing of their implementation, and some steps

employers should consider taking in advance.

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EEOC Rescinds ‘Enforcement Guidance on Harassment in the Workplace’

By [Emily Schifter](#) and [Nancy Fisher Onaderu](#)

On January 22, 2026, the Equal Employment Opportunity Commission (EEOC) voted 2–1 to rescind its “Enforcement Guidance on Harassment in the Workplace” (guidance), which was approved in 2024. At issue in the guidance was its definition of sex-based harassment under Title VII, which included “repeated and intentional use of a name or pronoun inconsistent with the individual’s known gender identity (misgendering); or the denial of access to a bathroom or other sex-segregated facility consistent with the individual’s gender identity.”

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Are Your ‘Voluntary Benefits’ Really Exempt From ERISA? It’s Worth Checking

By [Grace Elliott](#) and [Laura Ferguson](#)

In recent years, employers have increasingly allowed insurance companies to offer certain types of insurance (such as accident, specified disease, or critical illness insurance) for purchase by their employees at the employee’s expense without contribution from the employer. These benefits are commonly referred to as voluntary benefits, and they have been the subject of recent litigation over whether they are exempt from governance by the Employee Retirement Income Security Act of 1974, as amended (ERISA). This article outlines key conditions that must be met for voluntary benefits to qualify for ERISA exemption.

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