ADVANCED PEO SOLUTIONS

Starting 2026 Strong: Essential HR, Payroll & Compliance Priorities for Growing Businesses

As 2025 comes to a close, business owners are evaluating their workforce, reviewing operations, and preparing for the year ahead. With ongoing labor market changes, evolving compliance rules, and increased pressure to attract and retain talent, 2026 is shaping up to be a pivotal year for small to mid-sized businesses.

Partnering with a Professional Employer Organization (PEO) like **Advanced PEO Solutions** can help employers streamline processes, reduce risk, and enhance decision-making as they head into a new year. Whether you're planning for growth, tightening workflows, or simply seeking to reduce administrative stress, here are the **top HR, payroll, and compliance priorities** every employer should tackle as they begin 2026.

1 Refresh Employee Classifications, Job Descriptions & Compensation Structures

Accurate employee classification is one of the most common compliance challenges businesses face. Starting the year with updated documentation ensures:

- Correct FLSA exemption status
- Accurate W-2 vs. 1099 usage
- Proper workers' compensation class coding
- Clear expectations during onboarding and performance reviews

Clean and compliant records create alignment across HR, payroll, benefits, and risk management.

2 Review Workers' Compensation Policies & Class Codes

Workers' compensation audits are unavoidable—but avoidable surprises are possible. Early-year reviews should include:

- Confirming the correct class codes for each role
- Verifying depth or exposure risks for field employees
- Updating estimated annual payroll
- Reviewing safety policies and training records

A PEO helps simplify this process and can suppress risk throughout the year—NO AUDITS for you.

3 Update Your Employee Handbook for 2026

A well-maintained handbook is essential for consistency, compliance, and culture. This is the ideal time to ensure policies align with:

- Federal and state labor law updates
- PTO, leave, and holiday schedules
- Safety and technology use guidelines
- Remote/hybrid work expectations
- Anti-harassment and equal employment standards

Clear policies reduce confusion and increase employee confidence.

4 Reevaluate Your Employee Benefits Strategy

Competitive benefits remain critical for retention heading into 2026. Many employers are reassessing:

- Health insurance plan options and cost changes
- Dental, vision, and supplemental coverage
- Retirement offerings such as 401(k) plans

PEOs often provide access to richer benefits at more predictable pricing—something employees value tremendously.

5 Ensure Payroll Accuracy for the New Tax Year

January brings a wave of payroll updates, including:

- New tax tables and contribution limits
- Updated wage thresholds
- Annual filing requirements
- Year-end processing cleanup

Errors in payroll lead to employee dissatisfaction, penalties, and operational delays. Reviewing everything now ensures a smooth start.

6 Strengthen Workplace Safety & Risk Management Programs

With OSHA expectations continuing to evolve in 2026, employers should take time to:

- Reassess current safety programs
- Schedule annual or quarterly training
- Update required documentation and logs
- Review incident reporting processes
- Evaluate return-to-work procedures

Proactive safety planning prevents claims, reduces costs, and protects your workforce.

7 Leverage Your PEO Partnership for Efficiency & Peace of Mind

A strong PEO partnership gives employers access to:

- Experienced HR professionals
- Streamlined payroll & tax administration
- Competitive Workers' comp insurance & claim administration/audits
- High-quality benefits
- Risk management support
- Modern HR technology platform

Advanced PEO Solutions is proud to provide concierge-level service, transparent pricing, and hands-on support—confidently helping businesses succeed in 2026 and beyond.

Final Thoughts

Getting organized now—before the year ramps up—sets your business up for success, stability, and growth. Whether you're refining your HR processes, preparing for new compliance requirements, or simply trying to create smoother operations, APS is here to support you every step of the way.