ENGAGE PEO

Client Alert

Colorado Year End Updates

Updates to Paid Family and Medical Leave

WHAT'S NEW: Colorado made updates to its Paid Family and Medical Leave program, applicable to claims made on or after January 1, 2026.

The updates provide an additional 12 weeks of paid family and medical leave for any parent who has a child receiving care in a neonatal intensive care unit. A parent of a newborn child could receive up to a total of 24 weeks of leave (12 weeks for bonding leave and 12 weeks for their child's time in the NICU).

WHAT EMPLOYERS SHOULD DO: Employers should review leave policies and amend as necessary. **A sample paid family and medical leave policy can be found here.**

Clients should ensure that managers are educated on the new requirements.

Consumer Protections and Artificial Intelligence Systems

WHAT'S NEW: Colorado enacted the Concerning Consumer Protection in Interactions with Artificial Intelligence (AI) Systems to become effective June 30, 2026. There has been a significant push for modifications to this law and there is a likely chance that changes will be made to the law before June.

WHY IT MATTERS: This new law establishes requirements for developers and deployers of "high risk" AI systems. Some important points under the law:

- The act requires a developer of high-risk artificial intelligence system to use reasonable care to protect consumers from any known or reasonably foreseeable risks of algorithmic discrimination.
- A high-risk AI system is one that makes or significantly influences consequential decisions in areas such as employment, housing, credit, education and healthcare.
- Algorithmic discrimination means any condition in which the use of Artificial Intelligence system results in an unlawful differential treatment or impact that disfavors an individual or group of individuals on the basis of their actual or perceived age, color, disability, ethnicity, genetic information, limited proficiency in the English language, national origin, race, religion, reproductive health, sex, veteran statis or other classification protected under the laws of Colorado or federal law.
- Deployers (to include employers who employ at least 50 employees) of high-risk AI systems must also use reasonable care to protect consumers (to include applicants and employees) from algorithmic discrimination. A deployer is deemed to have used reasonable care if the deployer complied with the following:
  - Implemented a risk management policy.
  - Completed an impact assessment of the high-risk system.

- Annually reviewed the deployment of the high-risk system to ensure there is no algorithmic discrimination
- Notified consumers that high-risk AI would be a substantial factor in making a consequential decision.
- Allowed consumers the opportunity to correct any incorrect personal data that the high-risk artificial intelligence processed in deciding.
- Provided consumers with an opportunity to appeal an adverse consequential decision.
- Made publicly available a statement summarizing the types of foreseeable risks of algorithmic discrimination.
- Disclosed to the attorney general any discovery of algorithmic discrimination within 90 days after the discovery.

WHAT EMPLOYERS SHOULD DO: Employers should review any AI systems that are currently being used for hiring, recruiting, performance management or any employment-related decisions. It's important for employers to start reviewing policies and practices and preparing for alignment with the new requirements.

While the law may change as we get closer to June 2026, clients should begin creating processes and procedures for interacting with developers, assessing risk and providing the requisite notifications to applicants and employees.

If you have any questions, please contact your HR Business Partner/Consultant.