



MAYER | BROWN

SUPERCHARGE YOUR STARTUP

Winning Strategies for Hiring, Incentives, and Employee Benefits

SPEAKERS



PARTNER

LITIGATION & DISPUTE RESOLUTION,
EMPLOYMENT & BENEFITS, ISRAEL

RUTH ZADIKANY

LOS ANGELES +1 213 621 3916
RZADIKANY@MAYERBROWN.COM



PARTNER

EMPLOYMENT & BENEFITS, EMPLOYEE BENEFITS,
EQUITY & INCENTIVE PLANS

STEPHANIE VASCONCELLOS

CHICAGO +1 312 701 8621
SVASCONCELLOS@MAYERBROWN.COM

AGENDA

1. Hiring: Key Considerations
2. Benefits
3. Compensation
4. Recruiting Considerations

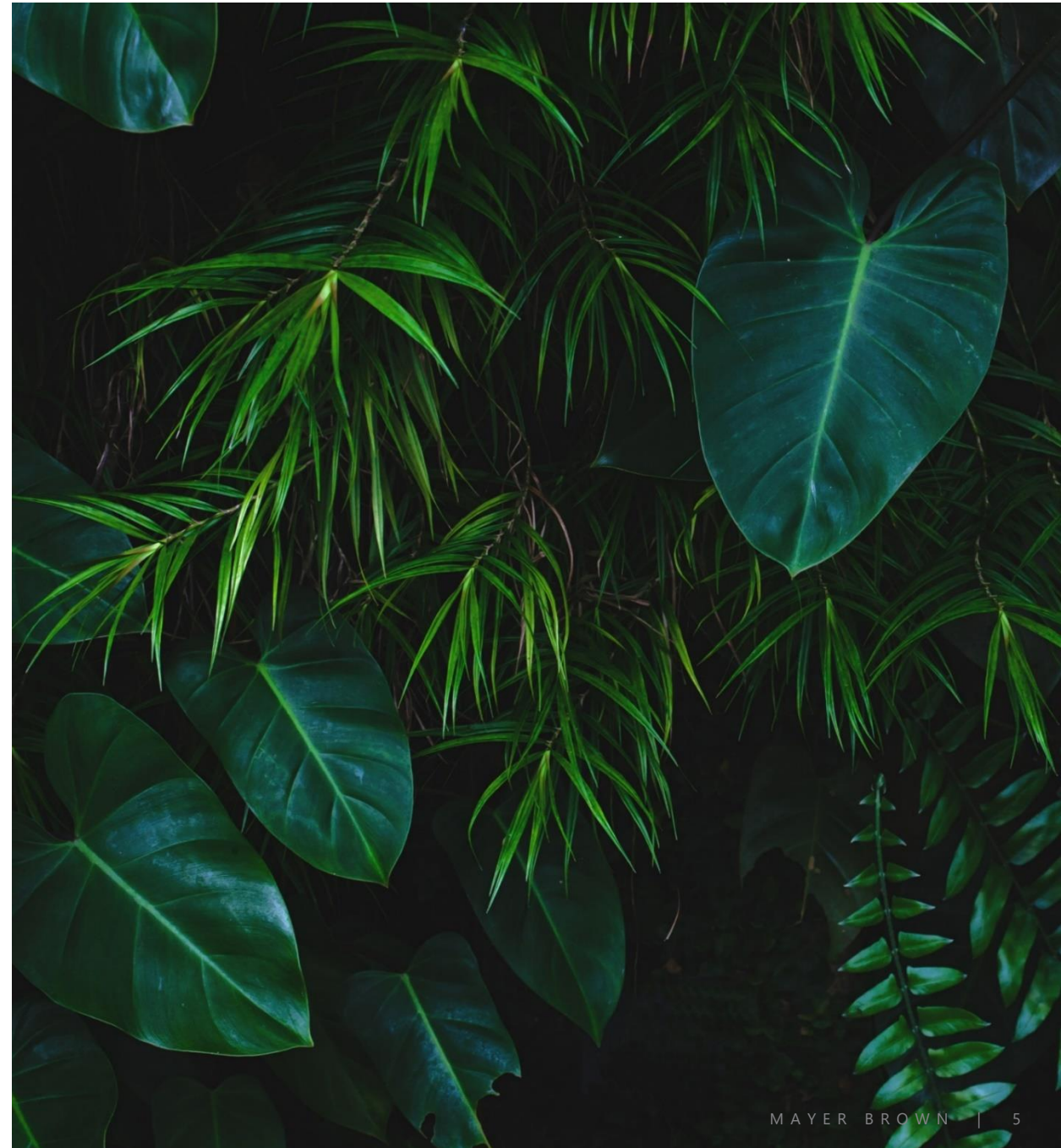


01

HIRING: KEY CONSIDERATIONS

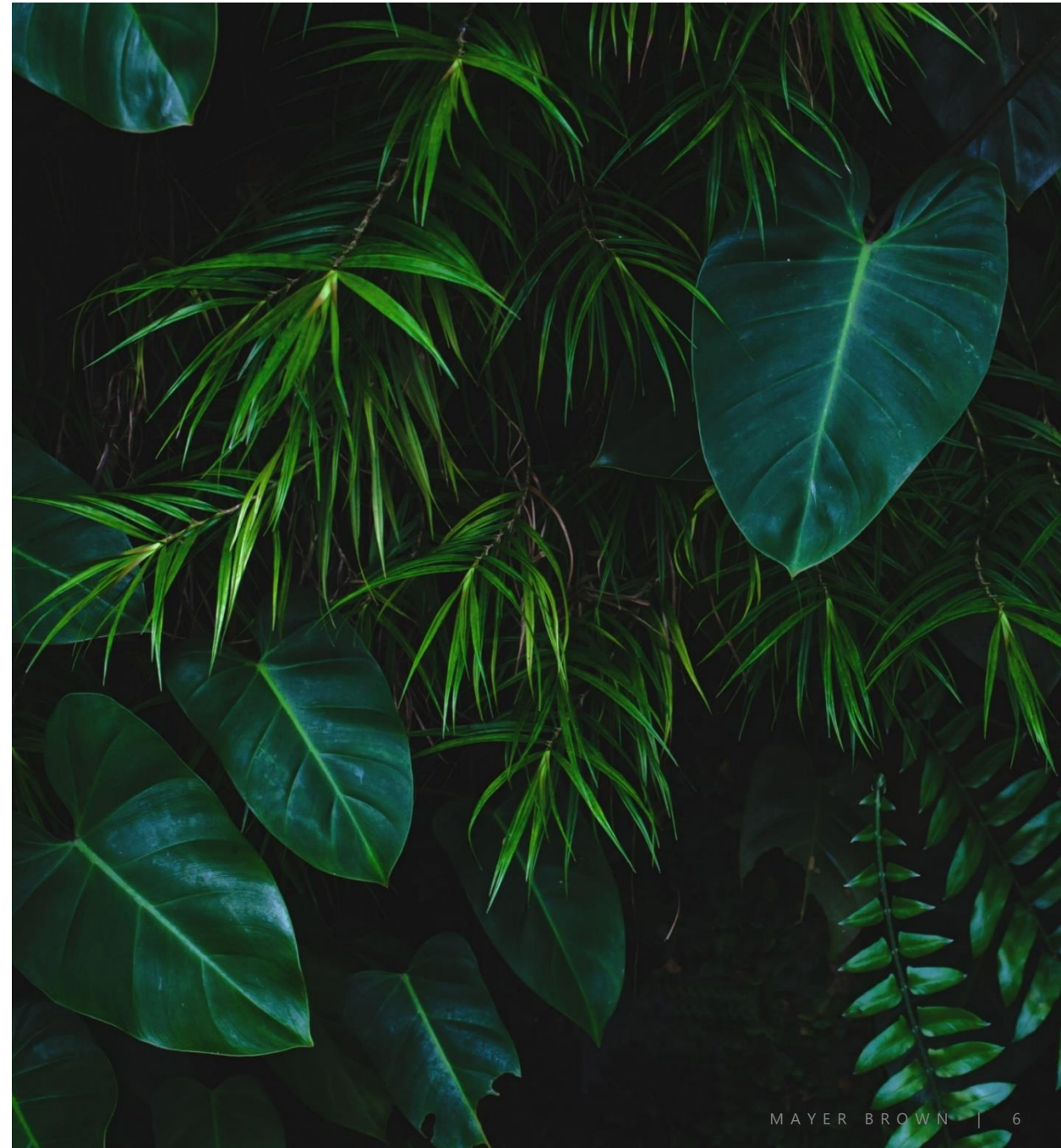
HIRING: KEY CONSIDERATIONS

- Understand relevant federal, state and local laws
- Employee Classification
 - Exempt vs. Non-Exempt
 - Employee vs. Independent Contractor
- “At-Will” Employment
- Offer Letter vs. Employment Agreement
 - Ensure any employment agreements clarify whether employment is “at will”
 - Agreements that cannot be terminated “at-will” should include clear provisions regarding termination, “cause” and pay-in-lieu-of-notice (where applicable)
 - Severance



HIRING: KEY CONSIDERATIONS

- Confidential Information and Invention Assignment Agreement
- Restrictive Covenants
 - Non-Competes
 - Non-Solicitation of Customers/Clients
 - Non-Solicitation of Personnel
- Arbitration of Disputes
 - Class and collective action waiver (but does not waive PAGA claims)
 - Employer covers costs of arbitration in some states
 - Confidentiality of proceedings
 - No jury
 - Possibility for multiple arbitrations
 - No appeal





HIRING: KEY CONSIDERATIONS

- Employee Handbook
 - Equal Employment Opportunity and Anti-Discrimination, Anti-Harassment and Anti-Retaliation Policies
 - Sick Leave and Vacation/PTO
 - Social Media, Internet and Email Monitoring Policies
 - Remote Work
 - Meal/Rest Period Policies, where applicable
- State/Local Law Supplements if Multi-Jurisdictional
- Compliance with Privacy Laws
- Timekeeping Software/Practices

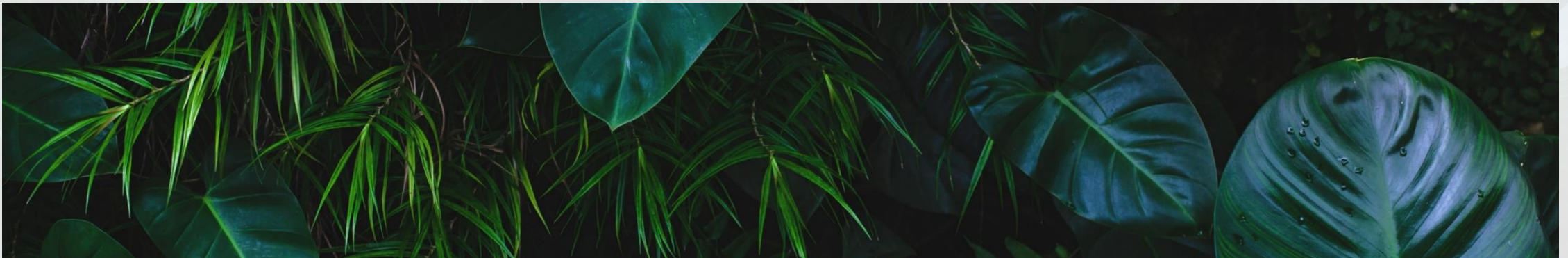


02

BENEFITS

OFFERING BENEFITS

- Work with a broker used to working with startups
- Consider using a “professional employer organization” or PEO
- Not all benefits are tax free - ensure the Company is taxing benefits to the extent required
- Understand the difference between insured and self-insured benefits
- Document benefits being provided and reserve right to change benefits in the future



BENEFITS

- Typical suite of benefits at larger companies often includes:
 - Medical
 - Dental
 - Vision
 - Short-term and long-term disability
 - Life and AD&D
 - 401(k) or other retirement plan
 - Pre-tax premium/Section 125 plan
 - Health and dependent care flexible spending accounts
 - Paid vacation, sick time, and holidays
 - Parental Leave Benefits



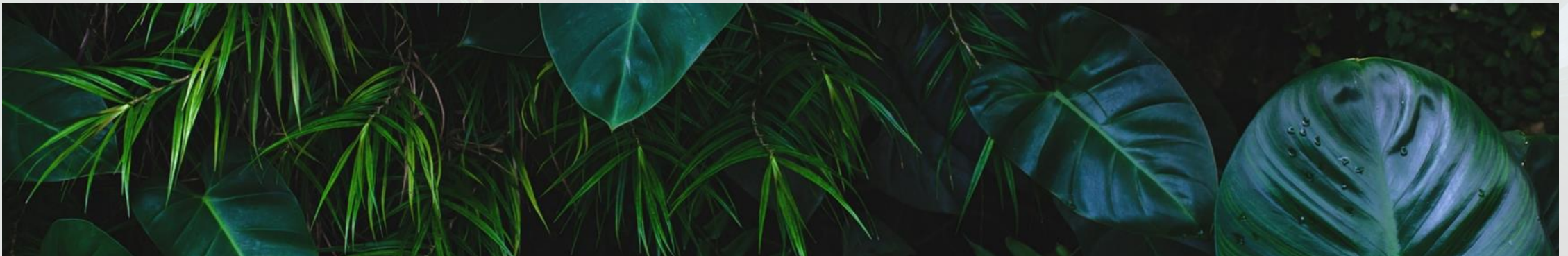
BENEFITS

– Other benefits include:

- Flexible scheduling
- Remote work
- Tuition assistance
- Commuter benefits
- Sabbaticals
- Cell phone reimbursement, company equipment or subsidies
- Wellness programs/EAPs
- Other programs designed to make work life easier or more enjoyable (office snacks, emergency childcare programs, etc.)

UNDERSTAND APPLICABLE LAWS

- State and local laws may apply
 - CalSavers (other states include Colorado, Connecticut, Delaware, Illinois, Maine, Maryland, Massachusetts, New Jersey, Oregon, and Virginia)
 - San Francisco Health Care Security Ordinance
 - State mini-COBRA laws
- Consider when federal laws may apply
 - COBRA (20+ employees)
 - ACA (50+ full time/full time equivalent employees for certain components)
 - FMLA (50+)



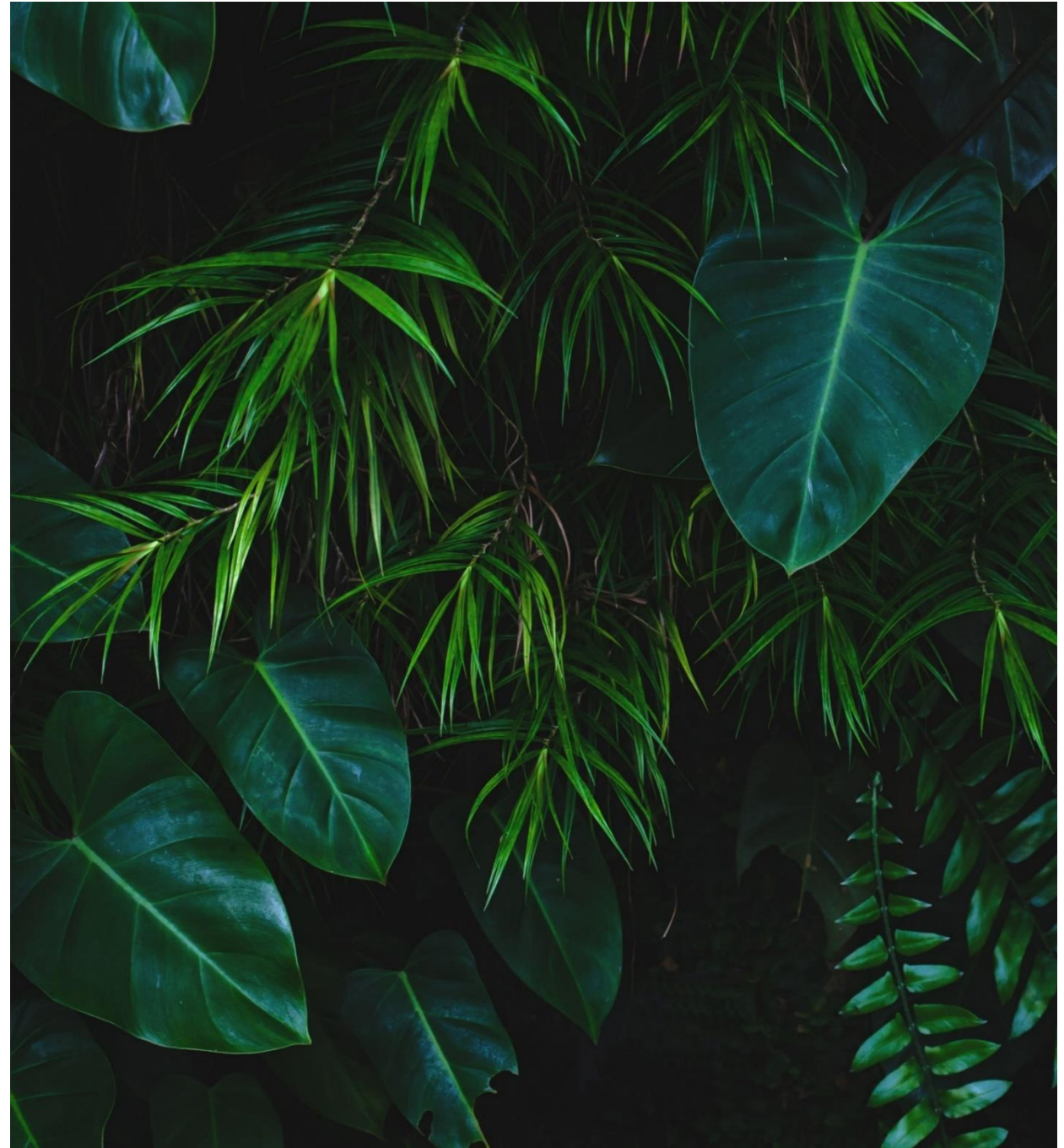
A dark green, almost black, background filled with various types of tropical leaves. The leaves are mostly in shadow, with some catching a bit of light, creating a rich, textured appearance. A thin, vertical white line runs down the center of the image, passing through the text.

03

COMPENSATION

COMPENSATION

- Additional methods of compensation include:
 - Cash bonuses (short-term, long-term)
 - One-off bonuses vs. structured programs
 - Retention incentives
 - Equity and equity-based compensation
- Consider timing of payments/enforceability of clawback provisions



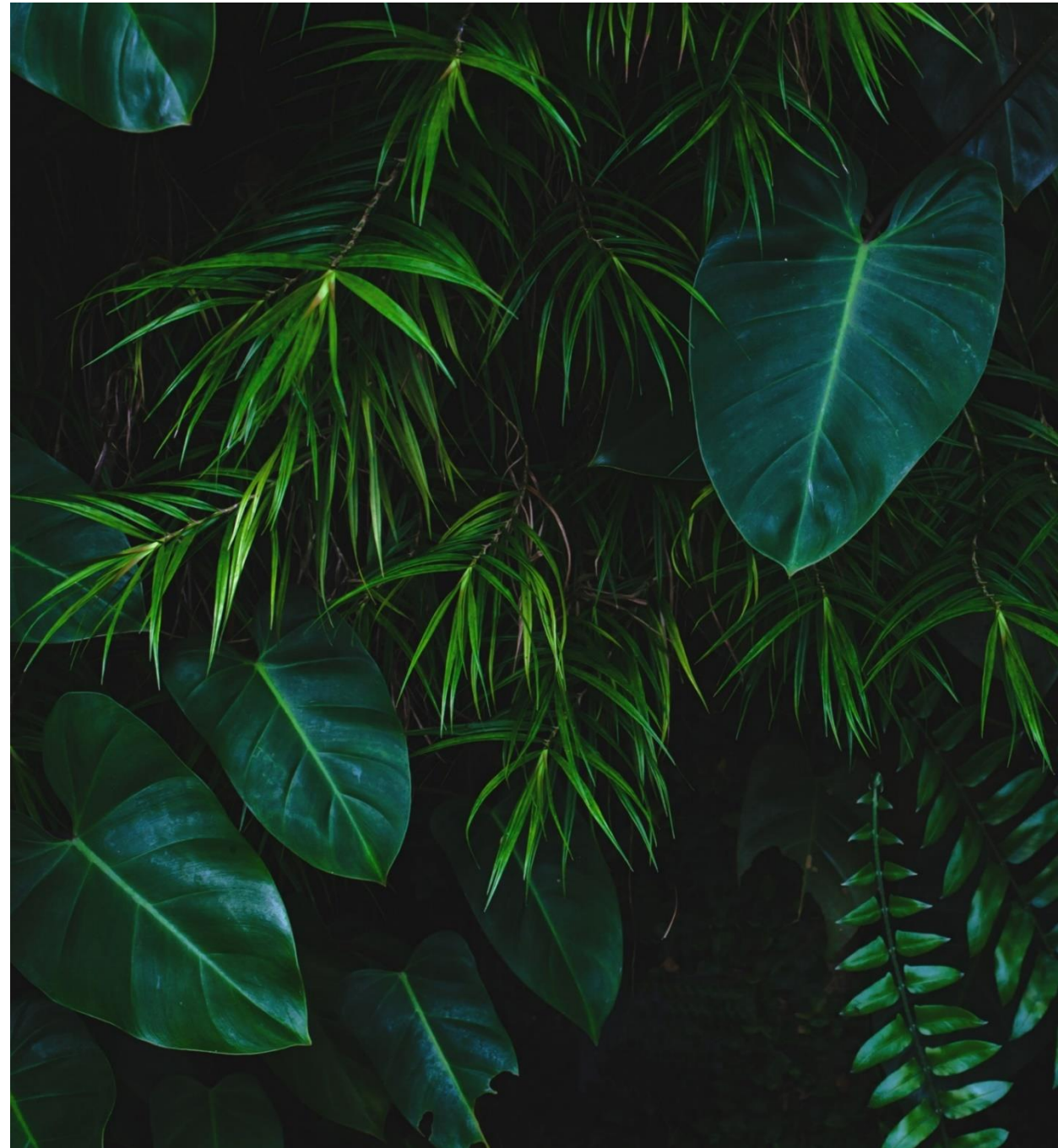


EQUITY AND EQUITY-BASED COMPENSATION

- Work with counsel and financial advisors to get 409A valuation and carefully design any equity plan
- Common types of equity awards include:
 - Restricted stock
 - “Full value award,” an award of shares with restrictions that generally lapse over time
 - Options (ISOs and NQSOs)
 - Options to purchase company stock in the future; recipient must generally pay exercise price equal to fair market value as of the grant date

EQUITY AND EQUITY-BASED COMPENSATION

- Common types of equity awards include:
 - Stock appreciation rights
 - Entitle the recipient to the increase in the value of a share over a period of time (generally upon exercise), may be settled in cash or shares
 - Restricted stock units
 - “Full value award”, entitle the recipient to the value of a share after vesting, may be settled in cash or shares
 - Profits interests and capital interests (partnerships)
 - Capital interests: full value award
 - Profits interests: right to future profits/appreciation



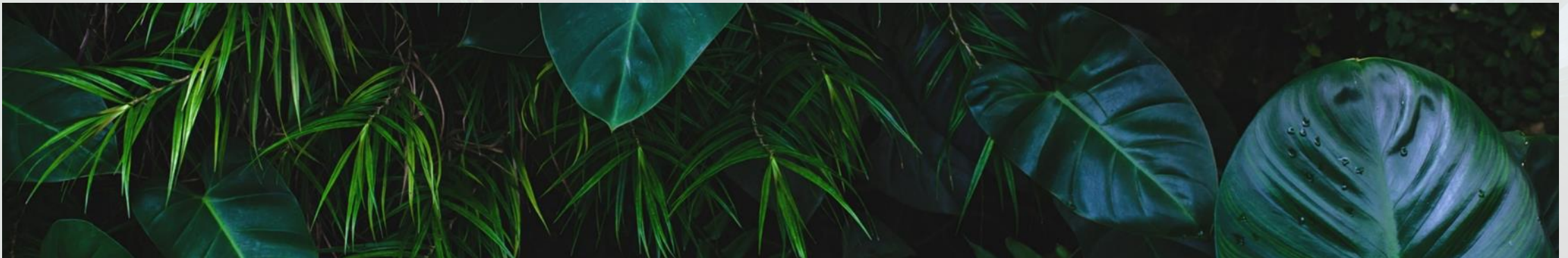


04

RECRUITING CONSIDERATIONS

PAY DISCLOSURE REQUIREMENTS

- More than 10 states have enacted “pay transparency laws” requiring disclosure of compensation information in job postings:
 - E.g., Washington, California, Connecticut, Nevada, New York, Maryland, and Rhode Island
 - Some localities in Ohio, New York City, and New Jersey localities have enacted similar legislation
- In 2025, new pay transparency laws will take effect in five additional states: Illinois, Minnesota, Massachusetts, New Jersey and Vermont

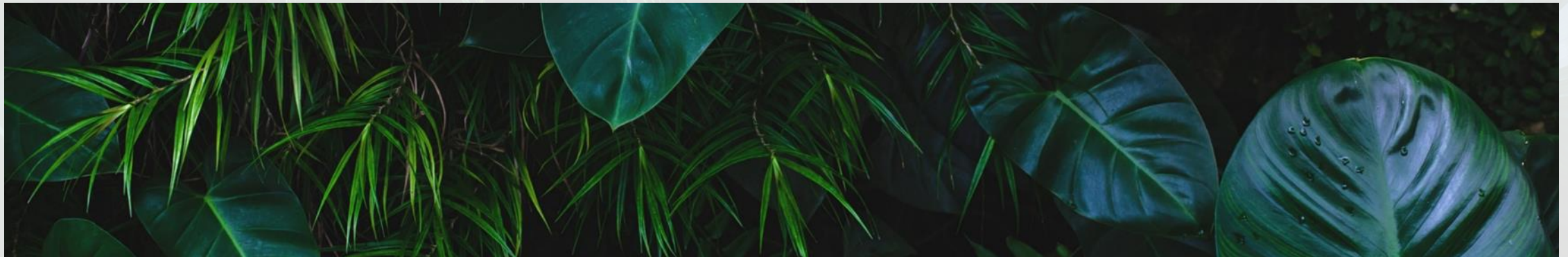


PAY DISCLOSURE REQUIREMENTS

- Compliance is not one-size-fits all.
- Pay transparency laws in various states differ in important respects.
 - Required disclosure of salary/wage range vs. salary/wage range + a benefits and other compensation (e.g., commissions, bonuses, stock options, etc.)
 - Applicable only to positions that are performed within the states (e.g., California) vs. out-of-state remote

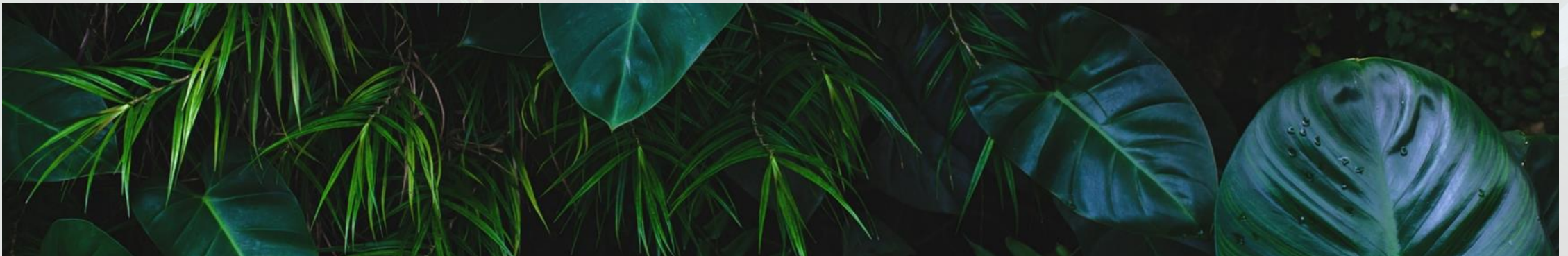
positions that report to a supervisor, office, or worksite within the state (e.g., New York) vs. unspecified scope (e.g., Minnesota, New Jersey)

- Additional requirements (e.g., including application deadline on job postings), notify employees with whom selected candidate will work of the new hire or promotion)



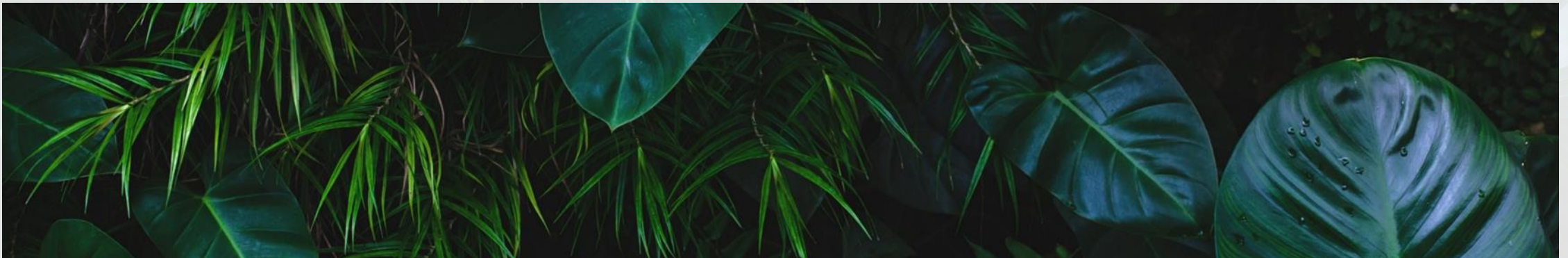
RECRUITING CONSIDERATIONS

- Bans on Salary History Inquiries
 - More than 20 states and 20 cities/counties have passed legislation prohibiting employers from requesting salary history information from job applicants or otherwise restricting use of salary history
 - Some statutes prohibit employers from relying on pay history in determining whether to offer a position or to set compensation if such information is discovered (unless volunteered by the applicant)
- However, California, for example, permits employers to ask for an applicant's salary expectations
 - Some statutes also prohibit employers from refusing to hire, interview, promote or employ a job applicant based on the applicant's decision not to provide pay history information. (e.g. Alabama)
 - Wisconsin and Michigan have ended their salary history bans for all employers except state departments



RECRUITING CONSIDERATIONS

- Use of AI in Hiring
 - June 2023 EEOC issued a Technical Assistance Document regarding Employer use of AI and other Algorithmic-Decisionmaking Tools under Title VII
 - May 2022 EEOC issued guidance entitled: The Americans with Disabilities Act and the Use of Software, Algorithms, and Artificial Intelligence to Assess Job Applicants and Employees
- Illinois Human Rights Act, amended January 1, 2026
- Illinois AI Video Interview Act
- New York City Local Law 144
- Ban-the Box and Background Check Laws
- Employee Referral Programs



DISCLAIMER

These materials are provided by Mayer Brown and reflect information as of the date of presentation.

The contents are intended to provide a general guide to the subject matter only and should not be treated as a substitute for specific advice concerning individual situations.

You may not copy or modify the materials or use them for any purpose without our express prior written permission.



MAYER | BROWN

This Mayer Brown publication provides information and comments on legal issues and developments of interest to our clients and friends. The foregoing is not a comprehensive treatment of the subject matter covered and is not intended to provide legal advice. Readers should seek legal advice before taking any action with respect to the matters discussed herein.

Mayer Brown is a global legal services provider comprising associated legal practices that are separate entities, including Mayer Brown LLP (Illinois, USA), Mayer Brown International LLP (England & Wales), Mayer Brown Hong Kong LLP (a Hong Kong limited liability partnership) and Tauil & Chequer Advogados (a Brazilian law partnership) (collectively, the "Mayer Brown Practices"). The Mayer Brown Practices are established in various jurisdictions and may be a legal person or a partnership. PK Wong & Nair LLC ("PKWN") is the constituent Singapore law practice of our licensed joint law venture in Singapore, Mayer Brown PK Wong & Nair Pte. Ltd. Mayer Brown Hong Kong LLP operates in temporary association with Johnson Stokes & Master ("JSM"). More information about the individual Mayer Brown Practices, PKWN and the association between Mayer Brown Hong Kong LLP and JSM (including how information may be shared) can be found in the Legal Notices section of our website. "Mayer Brown" and the Mayer Brown logo are the trademarks of Mayer Brown. © 2025 Mayer Brown. All rights reserved.