

e-Alert

02.07.22

New York City Enacts Law to Regulate Use of Automated Hiring Tools

Background

As technology has advanced throughout the past decade, employers have started to utilize Artificial Intelligence tools to streamline their recruiting and hiring decisions. The U.S. Equal Employment Opportunity Commission (EEOC) [launched an initiative](#) to ensure any Artificial Intelligence tools utilized in the hiring process, and impacting employment decisions, are fair and consistent with federal equal employment opportunity laws. New York City, however, has decided to take an additional approach to ensure discrimination protection for candidates.

Summary

Based on scrutiny over potential bias or discrimination utilizing these decision-making tools, New York City has passed a new [law](#) set to take effect January 1, 2023, prohibiting employers from utilizing automated employment decision tools to screen applicants and employees. The exception to utilizing these tools is if the tool has been subject to a bias audit and the employer satisfies a series of potentially burdensome notice requirements. Automated employment decision tools are defined as any computational process, derived from machine learning, statistical modeling, data analytics, or artificial

This content is provided with the understanding that HR Knowledge is not rendering legal advice. While every effort is made to provide current information, the law changes regularly and laws may vary depending on the state or municipality. The material is made available for informational purposes only and is not a substitute for legal advice or your professional judgment. You should review applicable laws in your jurisdiction and consult experienced counsel for legal advice. If you have any questions regarding this content, please contact [HR Knowledge](#).

intelligence, that issues simplified output, including a score, classification, or recommendation, which is used to substantially assist or replace discretionary decision making for employment decisions that impact natural persons.

Employers choosing to utilize an automated employment decision tool(s), must provide the following information to New York City employees/applicants:

- When an automated employment decision tool(s) will be utilized for assessments/evaluations – provide no less than ten business days' notice before utilizing automated employment decision tool(s).
- Which job qualifications and characteristics the automated employment decision tool(s) will be utilized for – provide no less than ten business days' notice before utilizing tool(s).

Within 30 days of written requests by employees/applicants, provide the type of data collected for the automated employment decision tool(s) as well as retention policy of the data (unless disclosed on employer's website).

Employer Next Steps

- Employers choosing to utilize automated employment decision tools should ensure they are following proper notification requirements to employees and applicants.
- HR Knowledge utilizes a hiring tool called the Predictive Index, the Predictive Index is a valid, reliable survey for job fit, and is an **EEOC compliant tool for use within the employee selection process**. If you are interested in learning more about this tool, [email us](#).
- If you are a Full-Service or Virtual HR client and have questions about this e-Alert, please [email us](#).



The People Simplifying HR

For almost twenty years, HR Knowledge has made it our mission to demystify the complex and daunting process of HR management. We do more than just provide the level of service and technology you'd expect from an industry leader. We combine unparalleled passion for service with our decades of HR, payroll, and benefits experience to provide our clients with personalized and actionable advice that is second—to—none. From managed payroll to employee benefits to HR support, we can help your organization thrive, grow, and reduce operating costs—no matter what industry you serve. Whether you're interested in our Full-Service solution or just need your employee handbook written, HR Knowledge can help you minimize risk while staying on top of compliance regulations. The bottom line? We're not just another cloud-based technology company that also does HR, #WeAreHR. [Get the scoop](#) on how we can help you simplify HR.



@WEAREHRK

This content is provided with the understanding that HR Knowledge is not rendering legal advice. While every effort is made to provide current information, the law changes regularly and laws may vary depending on the state or municipality. The material is made available for informational purposes only and is not a substitute for legal advice or your professional judgment. You should review applicable laws in your jurisdiction and consult experienced counsel for legal advice. If you have any questions regarding this content, please contact [HR Knowledge](#).