



2027 TLEA Employer Compliance Checklist

A practical action plan for small businesses • Effective January 1, 2027

WHAT'S CHANGING?

Tennessee Public Chapter 622 expands the Tennessee Lawful Employment Act (TLEA) to private employers reporting wages for at least **ONE** employee, rather than six. The law applies to covered conduct and employees hired on or after January 1, 2027. Federal Form I-9 requirements already apply to employers regardless of this change.

KNOW YOUR VERIFICATION PATH

- **Fewer than 35 full-time-equivalent (FTE) employees:** generally may use E-Verify OR retain an acceptable document under the TLEA.
- **35 or more FTE employees:** E-Verify is required for covered new hires.

Note: Determine FTEs under the same federal employer identification number (FEIN). The TLEA also addresses certain directly paid nonemployees.

BEFORE JANUARY 1 - PREPARE

- ☐ Confirm your workforce size and which Tennessee verification method applies.
- ☐ Assign an owner for I-9 completion, state verification, retention, and periodic checks.
- ☐ Review your existing Form I-9 process, including completion deadlines and correction procedures.
- ☐ If eligible to choose, decide whether to use E-Verify or the TLEA document-retention alternative.
- ☐ If using E-Verify, enroll and train authorized users on correct case creation and handling of mismatches.
- ☐ If using the document alternative, identify the documents Tennessee permits; do not confuse this list with federal I-9 acceptable documents.
- ☐ Create a secure, access-controlled filing and retention process for I-9s and TLEA evidence.
- ☐ Review arrangements with directly paid independent contractors and other nonemployees for applicable state requirements.
- ☐ Update your onboarding checklist and train anyone who hires or processes new workers.

STARTING JANUARY 1 - USE FOR EACH NEW HIRE

- ☐ Complete Form I-9 Section 1 by the first day of employment; complete Section 2 within three business days after work begins (subject to federal rules).
- ☐ Follow your applicable Tennessee verification path and keep the required evidence.
- ☐ If using E-Verify, create the case by the third business day after the employee begins work for pay, and follow E-Verify procedures.
- ☐ Allow employees to choose which acceptable I-9 documents to present; do not demand a particular document or discriminate based on citizenship or national origin.
- ☐ File verification records securely and calendar applicable retention/disposal dates.
- ☐ Periodically spot-check onboarding files and address procedural gaps promptly.

IF YOU RECEIVE A STATE INQUIRY

- ☐ Preserve records, identify the response deadline, and coordinate with qualified counsel or Human Resources support as appropriate.
- ☐ If a final violation order is issued, track the 45-day deadline for required compliance documentation; failure to submit may expose the business license to suspension.

QUICK REFERENCE & OFFICIAL SOURCES

TN Department of Labor - Employment Verification: <https://www.tn.gov/workforce/employers/staffing-redirect/hiring-regulations/employment-verification.html>

TN Labor Standards Unit - 2027 update: <https://www.tn.gov/workforce/employers/safety---health/regulations-compliance/regulations---compliance-redirect/labor-standards-unit.html>

TN General Assembly - Public Chapter 622 (HB 1194): <https://wapp.capitol.tn.gov/apps/BillInfo/Default?BillNumber=HB1194>

USCIS - Form I-9 and E-Verify: <https://www.uscis.gov/i-9-central>

Educational resource only; not legal advice. Confirm current requirements and exceptions with official agencies or legal counsel. Prepared October 2026.