

WHY EMPLOYERS NEED A COMPANY-WIDE AI POLICY (AND WHAT TO INCLUDE)



Without clear guidelines, employees might use artificial intelligence (AI) in ways that expose the company to legal liability, ethical concerns or regulatory scrutiny. That's why employers—whether in tech, finance, healthcare, graphic communications or any other industry—need a company-wide AI policy to set clear boundaries and expectations.

Why employers need an AI policy

- **Regulatory compliance** – Laws around AI usage (such as GDPR, CCPA and industry-specific regulations) are evolving. A policy helps ensure compliance and mitigates legal risks.
- **Data protection, confidentiality & security** – Employees might inadvertently upload sensitive company, customer or employee data into AI systems like ChatGPT, exposing proprietary or regulated information. A policy should define what data can (and cannot) be shared with AI tools.
- **Bias & ethical considerations** – AI-generated decisions can reflect biases in training data, leading to discrimination risks. A policy can guide ethical AI use and fairness.
- **Intellectual property protection** – Employees may assume that AI-generated content is freely usable, but copyright laws and licensing terms may restrict its use. A policy should clarify intellectual property (IP) ownership.
- **AI in product development** – AI-generated code, text and designs raise unique challenges regarding ownership, originality and regulatory compliance. A policy should ensure that AI-assisted development does not inadvertently create licensing, security or IP disputes.
- **Standardization & accountability** – Without a policy, different departments might use AI inconsistently, leading to disjointed workflows and quality concerns. A clear framework ensures alignment.

TRAINING IS AVAILABLE ON ACCEPTABLE USE OF GENERATIVE AI TOOLS



Did you know that Traliant, a PIA Preferred Partner, offers a 30-minute interactive course on “AI in the Workplace: Acceptable Use of Generative AI Tools”? This course uses real-life examples and realistic workplace scenarios to help your team members understand the risks and benefits of using generative AI, and learn how to use it in a responsible way.

For more information see bit.ly/Traliant-AI-Course.

What to include in an AI policy

Primary topics:

- **Permitted vs. prohibited uses** – Define where AI tools can be used and where they shouldn't (e.g., AI can assist in drafting reports but not generate final legal contracts).
- **Data privacy, confidentiality & security rules** – Specify what data can be entered into AI tools and prohibit sharing sensitive, confidential or regulated data (such as financial records, customer information, legal documents and trade secrets).
- **Confidentiality protection measures** – Employees should be reminded that entering privileged or proprietary company data into third-party AI systems can lead to unintended disclosure. If an AI tool is not explicitly approved for confidential work, it should not be used.
- **AI in product development & software engineering** – Address IP ownership, licensing, compliance and security risks associated with AI-generated content used in software, product design or creative works.
- **Human oversight requirements** – Employees should understand that AI-generated content must be reviewed and verified before use—especially in decision-making, HR processes and external communications.
- **Intellectual property guidelines** – Clarify that AI-generated content may not be copyrightable, and employees should check licensing terms before using AI outputs.
- **Ethical & bias considerations** – Require employees to be aware of AI bias risks, especially in hiring, finance and legal contexts. Encourage using AI responsibly.
- **Vendor & tool approval process** – Not all AI tools meet company security and compliance standards. Employees should only use company-approved AI applications.
- **AI governance & training** – Assign a responsible team to oversee AI use and provide ongoing training to keep employees informed about evolving risks and best practices.

Final thoughts

AI can supercharge productivity and innovation—but only if used responsibly. A well-crafted AI policy helps employers stay compliant, protect confidential information, ensure AI is an asset (not a liability) and support AI-assisted product development without legal or security risks.

Source: William Galkin, Galkin Law, <https://galkinlaw.com>.

MEMBER BENEFITS



Many employers shy away from offering single employer 401(k) plans – and for good reason! Dealing with the compliance issues associated with administering these plans can be a heavy lift. As the “plan sponsor,” a single employer must provide education, send notices, process loans, track vesting and much more.

Plus, unless you outsource plan administration to a third-party administrator, all of the administrative fiduciary liability falls on your shoulders, too. Get things wrong and you can be facing fines as well as potential lawsuits.

Avoid the headache: Join PIA's Multiple Employer Plan

You don't have to sponsor your own plan in order to offer a robust 401(k) for your employees. As a PIA member, you are eligible to join the Graphic Communications 401(k) Plan instead. As a Multiple Employer Plan (MEP), this Plan operates like a traditional single employer 401(k) plan, but with most administrative and fiduciary duties outsourced to the plan provider.

Our association's MEP is set up to act like an umbrella. There's an overarching Plan with one plan sponsor, one third-party administrator (Catalina Capital Group), one set of funds from which

participants can choose, etc. Within that umbrella each participating employer has the flexibility to customize things to best meet their needs.

This 401(k) plan offers many benefits

With the Graphic Communications 401(k) Plan you get:

- **Lower costs** – Because we are aggregating investments under one Plan, we are able to secure beneficial pricing. Lower costs mean improved returns for your employees.
- **An array of investment options** – Our administrator has selected a lineup of funds which they monitor on a quarterly basis. If a fund underperforms for two consecutive quarters, then they research and select a suitable replacement.
- **Comprehensive administrative services** – Nearly all aspects of Plan administration are handled for you. This includes the 5500 filing and annual Plan audit, each of which only needs to be done once for the entire Plan.

From the administrative standpoint, the main things you still must do yourself are to upload your payroll data in a timely fashion (and make sure this data is correct) and provide a census for the “non-discrimination testing” at the end of the year.

ARE YOU TAKING ADVANTAGE OF PIA'S GROUP 401(K) PLAN?

- **Outsourced fiduciary liability** – Our MEP outsources both the fund selection and the administrative tasks to experts in these fields who are also fiduciaries (which is not the case with all third-party administrators or investment advisory firms). This relieves participating employers of the associated fiduciary liability for these tasks as well.
- **Bilingual educational support** – This includes live webinars when your company first joins the Plan, live or recorded webinars as new employees join your team, and the ability to have employees call an 800 number to have someone get them enrolled over the phone. All of these options are available in both English and Spanish.
- **Plan flexibility** – You choose whether your company will offer matching funds (and if these will be discretionary or safe harbor), have plan vesting and more.

Contact us for more information

To learn more, contact Philippe Oertle, CFA, Managing Director, Catalina Capital Group, LLC, at 626-689-7903.

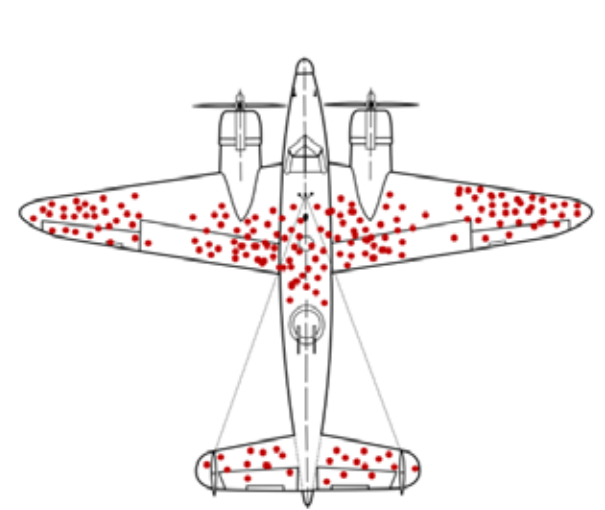
WHAT AREN'T YOU SEEING?

Do you ever wonder if you might not be getting the full picture of something? It could be regarding your production floor data, customer satisfaction surveys or perhaps the sources for images that a client wants to use, which were generated using artificial intelligence (AI). A military study from World War II provides some surprising insight into what you might be missing.

Survival bias

Take a look at this image of a two-engine World War II bomber (it's a Lockheed PV-1 Ventura for you aviation nerds). The red dots indicate where returning bombers had been hit by enemy gunfire. Does anything stand out? You might notice that the engines and the cockpit are untouched, and that most of the damage is to the wings and the tail.

Figure 1: Damage Pattern on a World War II Bomber



Source: Martin Grandjean (vector), McGeddon (picture), US Air Force (hit plot concept)

This image (well, actually a hypothetical reproduction of the damage pattern) comes from a World War II-era, US Air Force study that tracked the damage done to returning bombers. The study identified all of the places where these bombers

had been hit by enemy gunfire. Initially, the researchers thought that this meant that they should reinforce the armor in the spots that were most commonly hit. Then someone suggested that nothing at all should be done in those spots, and that the most valuable spots for more armor would be in the places that had not been hit.

The point was that the planes in the study had returned, despite the damage that they had suffered. It would be better to increase the armor in the weak spots that had led to the loss of a bomber, but, of course, they did not have any data from the planes that had been shot down and never returned, because, well, they never returned.

This phenomenon, which is known as “survival bias,” is relevant to production printing sites in the following ways:

- Production floor data:** Where do resolvable bottlenecks reside in your production workflow? They may not be obvious in your workflow system reporting data because shop floor employees may have developed complicated workarounds, which, though they work, are not contributing to ongoing automation efforts. Interviews with production floor employees can sometimes reveal the lengths to which they are going to get their work done.
- Customer satisfaction:** Have you conducted a customer satisfaction survey? It is extremely likely that some dissatisfied customers will have given up on your operation entirely and will refuse to respond. This is an important constituency for you to understand—wouldn't you like to know what they would say? It may be hard to reach out to customers who have dropped out of touch for one reason or another, but they may hold the key to issues that you can resolve.

- Artificial intelligence:** A sizeable concern when using AI is that you do not necessarily know what important pieces of data might have been included or left out of the data set that fueled an AI-enabled conclusion or illustration. Unauthorized use of copyrighted images, personal likenesses or commercial brands are possible. So is the exposure of private or sensitive information gleaned from the data that the AI process was trained on. The lack of clear sourcing for AI-developed text and images poses significant challenges not only regarding copyright, but also in regard to credibility.

Conclusion

Production floor data and customer satisfaction surveys can be excellent ways to help your business learn and improve. Regarding AI, the newness of the technology and the rapidity of its implementation pose some difficult questions about copyright, image ownership and bias or error in the dataset. Yet particularly in regard to companies that have control over libraries of documents (such as publishers, designers, illustrators and marketing firms, in other words, those responsible for the brand materials of their client companies), there is an opportunity to be at the forefront of AI implementation. These types of companies are well-positioned to avoid the pitfalls of AI tools that draw from uncurated databases. Instead, they can focus their AI efforts on identifiable sources.

As that World War II study shows, you need to be careful about taking the data you receive at face value.

Source: Jim Hamilton, Green Harbor Publications, www.greenharbor.com.

NATIONAL NEWS

PGSF BOX DESIGN CONTEST WINNER

The Print and Graphics Scholarship Foundation (PGSF) has selected Audrey Walch, who is in her second year studying Graphic Communications with a minor in Packaging at Cal Poly State University San Luis Obispo, as the winner of its 2024 Fall Student Box Design Contest. Audrey's winning design beat out over 70 other entries to garner this honor. She has received a \$500 prize, and boxes made using her winning design will be used by PGSF to send promotional information.

The Box Design Contest is just one of the design contests that PGSF organizes annually. They also hold poster and t-shirt design contests. For more information about these contests, see www.pgsc.org/student-design-contests.



GOVERNMENT & LEGISLATIVE

ON OUR RADAR

Proposed regulations and other issues that we're following:

- Expanding Paid Family Leave** – If passed, SB 590 will expand eligibility for benefits under the state's Paid Family Leave program to include individuals who take time off work to care for a seriously ill designated person. “Designated person” would be defined as any individual related by blood or whose association with the employee is the equivalent of a family relationship.
- Refusal to perform assigned tasks** – If passed, AB 1371 would permit employees to refuse to complete assigned tasks if they believe the task would violate Cal/OSHA safety standards and/or the employee has a reasonable apprehension that performance of the assigned tasks would result in injury or illness to the employee or other employees.

CONTACT US

ADDRESS

5800 S. Eastern Avenue, Suite 400
Los Angeles, CA 90040
P.O. Box 910936
Los Angeles, CA 90091
Phone: 323.728.9500
www.piasc.org

KEY CONTACTS

LOU CARON
President/CEO
Ext. 274
lou@piasc.org

KATHY SCHMIDT
Director, Insurance Services
Ext. 223
kathy.schmidt@piascins.com

EVIE BAÑAGA
Employee Benefits
Ext. 224
evie@pibt.org

KRISTY VILLANUEVA
Member Services
Ext. 215
kristy@piasc.org

SUSAN LEVI
Human Resources
piasc@jinjihr.com

EVENTS CALENDAR

For full list of events, please visit www.piasc.org/events

AMPLIFY PRINT 2025

June 10 – 12, 2025
Rosemont, IL
https://amplifyprint.org

PAPER SPECS LIVE

Thursday, September 18, 2025
San Francisco, CA
bit.ly/PaperSpecsLive-SF

SAVE THE DATE

CAL POLY CAREER DAY
OCTOBER 9 – 10, 2025
San Luis Obispo, CA

PRINTING UNITED EXPO

October 22 – 24, 2025
Orlando, FL
https://printingunited.com

SPOTLIGHT EVENT

INDEPENDENCE DAY CELEBRATION & CAR SHOW

Saturday, July 5, 2025
10:00AM to 4:00PM PDT
International Printing Museum
Carson, CA
bit.ly/IntPrintingMuseumCarShow

Spend the 4th of July at the International Printing Museum, with festivities that will include vintage cars, mini tours, printing demos, hands-on activities and live entertainment. From engaging exhibits and fascinating historical displays to bluegrass music, there will be something for everyone to enjoy!

THIS ISSUE:

ON OUR RADAR: WHAT AREN'T YOU SEEING?
GOVERNMENT & BUSINESS MANAGEMENT
MEMBER BENEFITS: ARE YOU TAKING ADVANTAGE OF PIA'S GROUP 401(K) PLAN? (AND WHAT TO INCLUDE)
FEATURE: COMPANY-WIDE AI POLICY EMPLOYERS NEED A WHY

Services for Graphic Communications
5800 S. Eastern Ave., #400
Los Angeles, CA 90040

PIA NEWS
JUNE 2, 2025 | ISSUE 183
NATIVE

