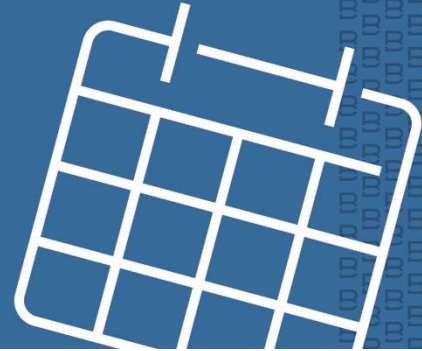


The Work Week

News from the
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When the Algorithm Picks: Meta's AI Layoff Suit

[Cassandra M. Jacobsen](#)

On July 13, 2026, twenty-six current and former Meta employees sued the company in the U.S. District Court for the Northern District of California, alleging that Meta relied on internal AI systems to select them for layoff in a manner that discriminated against employees on protected medical or family leave, employees with disabilities, and pregnant employees. The case, filed as *Does 1–26 v. Meta Platforms, Inc.* before U.S. District Judge William Orrick in Oakland, appears to be the first such challenge against a major U.S. employer over the use of AI in termination decisions. The allegations are distinct from but related to the AI-hiring allegations in *Mobley v. Workday*, [which we covered in a recent edition of *The Work Week*](#).

The Allegations

Meta announced it would eliminate approximately 8,000 positions (roughly 10 percent of its global workforce) as part of a stated shift toward becoming an “AI-first” company. The 26 plaintiffs filed anonymously; they include engineers, managers, researchers, and designers from six states and the District of Columbia.

According to the complaint, Meta relied on internal AI systems, including keystroke and activity-monitoring data, AI token-usage dashboards, and algorithmically assisted performance and calibration rankings, to score, rank, and select employees for the reduction in force rather than relying on direct managerial review. The plaintiffs allege these inputs, by design, cannot be accumulated by an employee on protected leave or whose output is reduced by a disability, so those employees were structurally more likely to land at the bottom of the rankings regardless of performance. The complaint asserts claims under the Americans with Disabilities Act, the Family and Medical Leave Act, the Pregnancy Discrimination Act, and California and New York City laws requiring bias testing of automated employment decision tools.

A Meta spokesperson called the claims meritless and maintained that human managers, not AI, made the termination decisions.

Where the Case Stands

Most of the plaintiffs' claims will proceed in private arbitration under agreements they signed with Meta. To keep their jobs in the meantime, they asked Judge Orrick for a temporary restraining order, an available but narrow exception in arbitration agreements typically invoked for trade-secret or non-solicitation disputes—not layoffs. In an order reported as issued July 17, Judge Orrick denied the TRO, finding that job loss and the accompanying loss of pay and benefits did not meet the “irreparable harm” standard for emergency relief, since those losses can generally be remedied later through money damages. He noted a structural problem facing any employee who challenges an algorithm from outside it: the plaintiffs, in his words, “were not in the rooms where it happened.”

Judge Orrick's order was not a clean win for Meta either. He found the case raises “serious questions going to the merits” and left the door open to revisit the ruling as more evidence comes in. He also drew a distinction among the plaintiffs: for four employees whose immigration status depends on continued employment, the court found the threatened harm “more than speculation” and potentially irreparable, and ordered Meta to explain how and why those four were selected.

The plaintiffs' broader request for a preliminary injunction, which would return them to active status through arbitration rather than provide only short-term relief, is set for hearing on August 24.

Key Takeaways for Employers

- Map every input. If performance ratings, calibration scores, productivity metrics, or AI-adoption metrics feed into a reduction-in-force decision, identify in advance whether those metrics can be skewed by protected leave, disability-related output reductions, or accommodation status.
- Make human review meaningful, not procedural. A manager's sign-off on an AI-generated list will not, on its own, look like independent decision-making in litigation. Document what the reviewer actually questioned, changed, or rejected.
- Audit before you rely, not after you're sued. Assess whether any applicable automated-decision-tool laws or regulations require pre-use bias testing, notice, or other safeguards.
- Assume the record will be built without your input. Employees challenging AI-assisted decisions often cannot see how those decisions were made, but employers should expect that gap to narrow as this litigation, and the discovery it generates, continues.

That a federal court found the underlying theory serious enough to order Meta to explain part of its selection process is worth every employer's attention, whether or not AI touches their own reduction-in-force decisions.

Bassford Remele's Labor and Employment team actively monitors rulemaking, agency guidance, and legislative developments at the state and local level so that our clients can modify their policies and procedures, if appropriate. We advise clients on the practical implications of these developments, particularly when state laws may appear to be incompatible with other laws or the agencies that enforce them. Our attorneys also assist clients in developing and implementing workplace AI policies, and in navigating reductions in force and layoffs, including compliance with WARN Act and state-law notice requirements. We defend clients before administrative agencies and in state and federal courts related to alleged violations of state, local, and federal laws.

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