



10 HR compliance issues for 2020

In 2020 there will be more than 140 new compliance requirements across more than 30 states and 30 localities. Here are 10 big ones.

By Katie Kuehner-Hebert | January 07, 2020



Here are 10 compliance issues that should be on your radar this year. Are you prepared?



1. Sexual harassment

New sexual harassment regulations vary from state to state and be dependent upon employer size, according to Wilson. For Illinois employers, Public Act 101-0221 was created to strengthen sexual harassment policies in the workplace and ensure that all employees are better protected from sexual impropriety and predation. “Workers in Illinois will now be afforded greater protection under the act, which includes language that prohibits sexual harassment between employees even when it occurs outside the workplace or online,” Wilson says. “It will also offer greater protection for contract employees and freelance workers, as opposed to only protecting salaried and hourly employees.”

Moreover, many states are now expanding their requirements for sexual harassment training, he says. Not only are these trainings becoming more commonly required throughout the year, but more staff will now be required to attend these sessions.

Paychex recommends that all employers should consider examining their internal processes for addressing inappropriate behavior in the workplace and take steps to create “a safe, respectful environment for all employees and non-employees.”



2. Federal W-4/withholding

The Tax Cuts and Jobs Act of 2017 resulted in a revision of the federal withholding process culminating in a new Form W-4 for use in 2020, according to Paychex.

“Now that the new federal form and revised withholding tables are available, individual states must determine if they will update their systems based on the federal changes, keep their current process, or develop a new withholding process,” Paychex writes. “A few states have made their determinations, but the vast majority still have yet to make a decision.”

	Mon	Tu	Wed
Start Time	9 AM	9 AM	
End Time	5 PM	6 PM	
Reg Time	8 -	8 -	
Over Time		1 -	

3. Minimum wage and overtime

Beginning January 1 (December 31, 2019, in New York), the minimum wage rate increased in 21 states and in many localities across the U.S., according to XpertHR. Some cities--including Denver, Colorado; St. Paul, Minnesota; and South San Francisco, California--have minimum wage laws taking effect for the first time.

New federal overtime provisions from the Fair Labor Standards Act also have gone into place, according to Wilson.

“Previously workers were automatically entitled to overtime pay only if they earned \$23,660 or less a year,” Wilson writes. “But, starting in just a handful of weeks, that salary ceiling will be raised to \$35,568. Under this new ruling, these workers are entitled to receive one and one-half times their regular pay if they work more than 40 hours in a week.”

But it is not just workers who earn under the \$35,568 threshold who will be eligible for overtime, he writes. If a worker earns more than that but their duties are not managerial, they may still be

eligible for overtime.

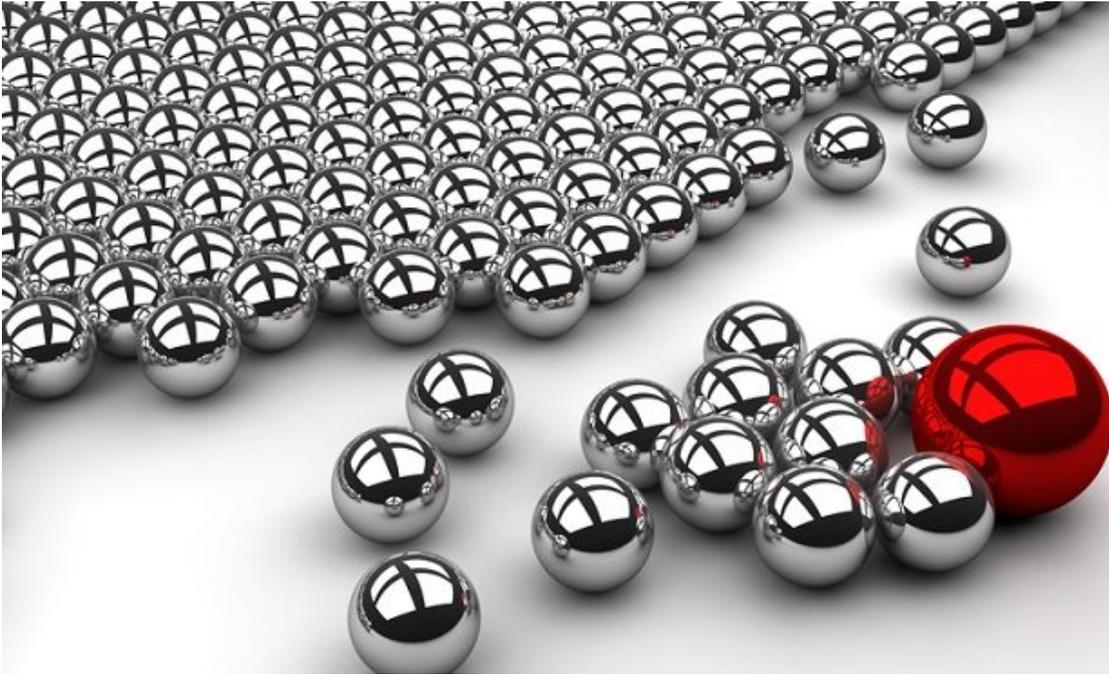


4. Leaves of absence

“Leave benefits, both paid and unpaid, continue to expand at the state and local level,” XpertHR writes. “Employers in Nevada, Washington and Duluth, Minnesota have new obligations related to paid leave. At the same time, in New York and Rhode Island benefits will expand under existing paid leave laws.”

Maine, Nevada, and Bernalillo County, New Mexico passed laws requiring employers to provide paid time off to eligible employees without requiring a reason for leave, according to Paychex. At the federal level, several bipartisan paid leave proposals being considered.

“The Senate passed a historic measure on Tuesday that would fund paid family and medical leave for federal employees, marking a win for a policy pushed by Ivanka Trump, a senior White House adviser and daughter of President Donald Trump,” CNN writes.



5. Worker classification

Worker classification continues to be addressed by state and federal agencies, in the courts and in local and state legislatures across the country, according to Paychex.

“Perhaps the most impactful legislation this year, especially for workers of ridesharing services, is California AB5, effective Jan. 1,” Paychex writes. “The new law will require employers to demonstrate a worker satisfies a three-part (ABC) test to be classified as an independent contractor in the state. Other state and local legislatures are considering similar legislation.”



6. Health care benefits

“New laws affecting health care coverage continue the trend of increasing mandates and expanding required coverage,” XpertHR writes. “Individual health insurance mandates similar to the one established by the federal Affordable Care Act take effect in California, Rhode Island and Vermont. Connecticut and New York are expanding coverage in group health plans, while Louisiana will prohibit certain lifetime and annual limits on coverage.” At the federal level, many regulations have shifted, including those pertaining to association health plans, short-term limited duration insurance and individual contribution health reimbursement accounts, according to Paychex.

“Employers might have some new alternatives and new obligations when it comes to employees’ healthcare options, depending on where they live, but these choices are often complex,” Paychex writes.



7. Employer shared responsibility enforcement

The IRS continues to expand and refine its enforcement of the employer shared responsibility provisions, according to Paychex. In addition to the IRS 226J letters, which include the preliminary calculations for ESR payments for not offering adequate affordable insurance to full-time employees, the IRS has begun assessing penalties for untimely or non-filing of the information returns 1094-C/1095-C.

“The good-faith-effort relief for filing inaccurate or incomplete returns was extended recently, but this relief did not apply if the returns were not filed timely, and these penalties can be substantial,” Paychex writes.



8. Privacy

“The California Consumer Privacy Act will have a profound impact on how employers handle their employees’ and California-based clients’ information,” Paychex writes. “Applicable employers will need to know what personal information is being collected, who has access to the personal information, to whom personal information is disclosed, and do so with the understanding that the client has a right to opt out of the sale of their personal information. If the consumer exercises their right to opt out, neither their service nor pricing will be negatively impacted.”

More states are considering regulations around biometrics to identify employees and track hours worked, as biometric identifiers cannot be changed once compromised, according to Paychex. Employers should be mindful about collection, use and adherence to regulations such as the Illinois Biometric Information Privacy Act.



9. Marijuana legalization

State and local jurisdictions continue to enact legislation that addresses decriminalization of marijuana, recognition of medical marijuana use, and/or legalization of recreational marijuana, according to Paychex. Currently, 11 states and Washington, D.C., have passed legislation to legalize marijuana for recreational purposes.

“Employers must stay apprised of these legal developments, as well as court decisions, and consider adjusting their risk-mitigation strategies that include workplace policies to allow for accommodations where applicable for the lawful use of marijuana for medicinal purposes and the parameters of existing drug testing programs,” Paychex writes.



10. Other trending topics

“Employers also should take note of a number of other upcoming laws related to data security, noncompete agreements and preemployment screening,” XpertHR writes. “New payroll requirements take effect as well, covering withholding, pay statements, deductions and, in the District of Columbia, the use of third-party payroll providers to pay tipped employees.”

Workers this year will have more options to receive their pay when it is earned, with the rollout of the Clearinghouse’s Real Time Payments network, expansion of Same-Day ACH and pay-on-demand products, according to Paychex.

“Businesses interested in improving their cash flow through utilizing these faster payment options and assisting their employees with financial wellness should consult with their financial institution or payroll provider for more information on payment options,” Paychex writes.

The new year has brought with it a myriad of new labor laws and compliance requirements that employers can't afford to miss.

"Employers have challenges unique to their business," Paychex Inc. writes on its blog (<https://www.paychex.com/articles/compliance/top-regulatory-issues>), Paychex Worx. "One thing that all business owners have in common is their compliance obligations – and the list seems to be getting longer each year as federal, state and local governments create new regulations."

Indeed, in 2020 there will be more than 140 new compliance requirements across more than 30 states and 30 localities, according to XpertHR's whitepaper, "January 1 Compliance Requirements: What You Need to Know (<https://bit.ly/35Cw3gh>)."

"From increases in the minimum wage and new payroll requirements to new health insurance laws and discrimination and harassment protections, employers have much to get ready for in 2020," says Jessica Webb-Ayer, XpertHR legal editor. "Employers should plan accordingly so they are not caught off guard when the changes that impact them take effect."

One hot topic: sexual harassment policies

(<https://www.benefitspro.com/sites/benefitspro/2018/04/17/5-questions-to-help-guide-the-overhaul-of-your-sexual-harassment-policies/>) are getting greater scrutiny next year, which requires that all companies to pay closer attention "to this very important issue," Employco USA president Rob Wilson writes on the firm's blog.

"We are finally starting to see people take sexual harassment in the workplace more seriously, and the new regulations coming into effect in 2020 reflect that," Wilson says.

Copyright 2020. ALM Media Properties, LLC. All rights reserved.