

## New 2020 W-4 Federal Tax Deduction Form!

**ALL** new employees hired as of Jan. 1, 2020, must complete the new W-4 employee tax withholding form. Key points:

- Employees who have provided Form W-4 in any year before 2020 are not required to provide a new form merely because of the redesign.
- Employers will continue to compute withholding based on the information from the employee's most recent Form W-4.
- Any adjustments made after Jan. 1, 2020, must be made using the new form.
- A new [Publication 15-T, Federal Income Tax Withholding Methods](#), for use with the new [2020 Form W-4](#), includes steps employers can take to determine federal withholding can be found [HERE](#).

Click on the image to download the new form.



## NEW FEATURE: EBHR Best Practice Tip

We love learning about the great tips and tricks many of you use in your business. As HR people, we share your love of a good tip. So, here's one to start of the new decade:

With California's new requirement to training both managers and front-line employees on harassment prevention (a service EBHR provides), employers should ask new hires if they have completed this training at either a prior employer or school. If so, **ask for a copy of the completion certificate** for your records and breathe easy, with one less person to train!



## Independent Contractor Rules YOU MUST KNOW

The rules for determining who qualifies as an independent contractor have been codified by California Governor Gavin Newsom and take effect January 1, 2020. In what is known as the "ABC Test," to be classified as a true independent contractor all three parts must be **true**:

- Part A** The worker is factually free from the control and direction of the hiring entity in connection with the performance of the work; AND
- Part B** The worker performs work that is outside the usual course of the hiring entity's business; AND
- Part C** The worker is customarily engaged in an independently established trade, occupation, or business of the same nature as the work performed. Essentially, the contractor must actually be in business for themselves.

Sounds easy, right? The ABC Test applies to businesses subject to California's Wage Order claims, AND there are a number of exceptions.

Contractor classification rules are complex and can result in severe penalties if classified incorrectly. EBHR can help your organization properly classify workers – contact us for help.

## California Adopts FSA Notification Requirements effective January 1, 2020

A flexible spending account (FSA) is an arrangement that allows employees to use pre-tax dollars to pay for many out-of-pocket IRS-eligible expenses. California recently enacted AB 1554, which requires an employer to notify employees of any deadline to withdraw funds from a flexible spending account (FSA) before the end of the plan year. The law applies to health care FSAs, dependent care FSAs and adoption assistance FSAs. Employees must be notified by two different forms, only one of which can be electronic. Notice methods include e-mail, telephone, text message, postal mail or in-person notification.

[DOWNLOAD SAMPLE NOTIFICATIONS FOUND HERE.](#)

## Marijuana in the Workplace and Drug Testing

With more and more states legalizing recreational marijuana, employers are baffled at how to handle company drug testing rules. *Click the leaf in the lower right corner to read tips on implementing compliant drug testing policies.*



## The New California Consumer Privacy Act

The California Consumer Privacy Act (CCPA) is a consumer-directed law that empowers California consumers to learn how a business stores, retains and uses their personal information (PI). The CCPA gives consumers certain rights about the personal information that businesses collect about them. Businesses will need to be transparent with consumers about the personal information they collect and how they use it.

The CCPA went into effect on Jan. 1, 2020. Many companies are still grappling with the details of the law, the amendments, the proposed regulations, and how to comply.

Now is the time to determine whether the CCPA applies to your company, and if it does, take measures to comply with its requirements.

[Click here to read about to whom CCPA applies, what data is exempt, what is considered personal information, and the rights consumers have regarding their personal information.](#)

**National Labor Relations Board (NLRB) Now Says Employers CAN Require Confidentiality During Employee Investigations**

In a decision involving Apogee Retail LLC, the NLRB, which governs all U.S. workers, reversed a previous decision that prevented employers from requiring confidentiality from employees involved in some internal investigations as it was thought to infringe on an employee's rights under the National Labor Relations Act.

Now, employers are better able to ensure the integrity of internal investigations and protect investigation participants by requiring confidentiality of investigation **participants** during the course of an open investigation. However, employees who are not part of the investigation may be free to discuss the incidents which lead to the investigation.

**Paid Leave for Federal Workers**

Known as **Federal Employee Paid Leave Act (FEPLA)**, effective October 2020, Federal workers will be entitled to 12 weeks of **paid time off** for the birth, adoption, or foster placement of a new child; to care for a spouse, child, or parent; for particular military caregiving and leave purposes; and for personal health reasons to federal workers who are eligible for unpaid leave under the Family and Medical Leave Act. The FEPLA will not provide employees additional leave time; it simply allows federal employees to receive pay during their 12 weeks of FMLA leave.

In California, virtually all workers are covered by California's Paid Family Leave or State Disability Insurance programs to provide partial wage replacement for the reasons outlined above.

**For a refresher, visit our blog here to read about the various leaves California employers may need to follow.**



**New Trend? U-Haul Refusing to Hire Nicotine Users**

U-Haul recently announced it will no longer hire people who use nicotine, in any form, in the 21 states where such hiring policies are legal. The announcement is receiving attention because nicotine-free hiring policies are more common in organizations that are especially protective of their healthy image (*like large-scale hospitals and medical businesses*).

Now, businesses in many states across various industries are adopting strict policies that make smoking a reason to turn away job applicants, saying they want to increase worker productivity, reduce health care costs and encourage healthier living.

This shift from smoke-free to smoker-free workplaces has prompted criticism over whether the policies establish a troubling precedent of employers intruding into private lives to ban a habit that is legal.

Is this new trend a responsible step in fostering a culture of wellness? Will it lead to more policing of worker health?



**New Overtime Pay Rules**



Effective January 1, 2020, small businesses across the U.S. will have to comply with a new overtime rule, estimated to affect 1.3 million workers. The new rule requires that exempt salaried employees must be paid at least \$684 per week, or \$35,568 annually. Employees who do not meet this salary level must be classified as non-exempt, and be paid overtime for all hours worked over 40 in a workweek.

**REMINDER:** Under California employment law, salaried employees may be classified as exempt or non-exempt (hourly). Exempt salaried employees are not eligible for overtime **AND must be paid at least twice the minimum hourly wage based on a 40-hour workweek.**

Be sure your CA exempt salaried employees are properly classified and paid at least twice the current minimum wage in your area (minimum wage laws differ by locality – know yours!).

**Affordable Care Act Deadlines**

ACA requirements are mandatory.

**February 28**

Paper filing of 1095s (and 1094 transmittals) to IRS

**March 2**

Form 1095 copies to recipients/employees

**March 31**

E-filing of 1095s (and 1094 transmittals) to IRS

Penalties for noncompliance are \$270 per filing.

**If your company provides health insurance, you must report for the 2019 tax year.**

- On-Demand HR Consulting Services
- Management and Supervisory Skills Training
- HR Compliance Reviews
- Harassment Prevention Training

**ECHR** SPECIALIZES IN:

- Employee Handbooks Creation & Updates
- Diversity, Inclusion and Unconscious Bias Training
- Interim & Project HR Project Professionals
- HRIS Implementation & Outsourced HR