



Human Capital Management Sevices



2018 HR Trends

January 2018





HR Trends - Objectives

1. Strategic HR
2. 2018 Top Compliance Trends Affecting HR
3. Questions & Answers



Strategic HR

- Adopt a strategic approach to any topic affecting their workforce;
- conduct an annual business analysis and measure against current, 3-year and 5-year goals;
- customize Human Capital Total Rewards package to fit their workforce needs



Strategic CEO-HR collaboration

Strategic conversation with CEO – how to elevate HR in the company

What are the business objectives?

How does HR help to meet those objectives?

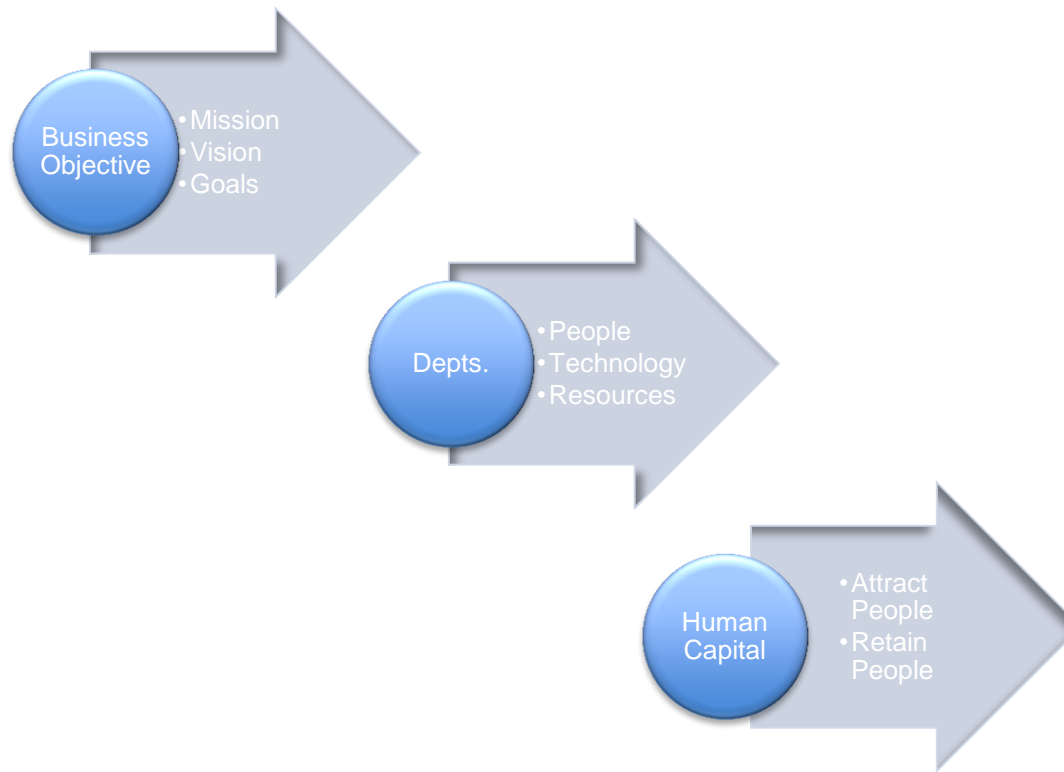
What is needed for HR to meet those objectives?



What are the Business Objectives?



How does HR help to meet the business objectives?





How does HR help to meet the business objectives?





What is needed for HR to meet those business objectives?



- ☐ Pay Inequity
- ☐ Minimum wage
- ☐ Leave Laws
- ☐ Scheduling Laws
- ☐ LGBTQ
- ☐ Transgender Identification
- ☐ Immigration
- ☐ Discrimination – Sexual Harassment
- ☐ Workplace Violence





Pay Inequity

Equal Pay Act – 1963

Prohibited from asking for Salary history

Enacted : MA, New York City,
Philadelphia, Oregon, California

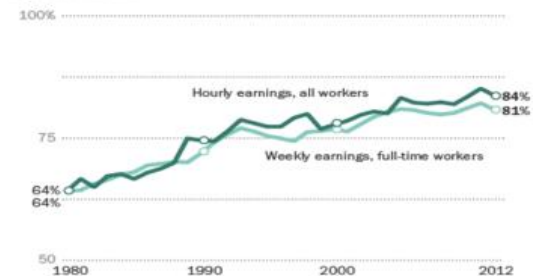
Pending: 7 other states

EEO-1 REPORTING: Even though rolled back from gathering data off
W-2 still under potential scrutiny

Best Practice: Conduct market surveys and establish pay range within
where you want to fall within the market

Women's Earnings as a Percent of Men's

Ages 16 and older



Note: Pew Research Center estimates are for employed workers with positive earnings. Self-employed workers are excluded. Details on Bureau of Labor Statistics' methods are available at <http://www.bls.gov/cps/cpswom2012.pdf>.

Source: Pew Research Center tabulations of Current Population Survey data for hourly earnings and U.S. Bureau of Labor Statistics for weekly earnings (Highlights of Women's Earnings in 2012, Report 1045, October 2013, Table 12)

PEW RESEARCH CENTER





Minimum Wage

The race for

\$15.00/hr.

Consolidated State Minimum Wage Update Table (Effective Date: 01/01/2018)			
Greater than federal MW	Equals federal MW of \$7.25	Less than federal MW	No MW Required
AK \$9.84	IA	GA \$5.15	AL
AR \$8.50	ID	WY \$5.15	LA
AZ \$10.50	IN		MS
CA \$11.00	KS		SC
CO \$10.20	KY		TN
CT \$10.10	NC		
DC \$12.50	ND		
DE \$8.25	NH		
FL \$8.25	OK		
HI \$10.10	PA		
IL \$8.25	TX		
MA \$11.00	UT		
MD \$9.25	VA		
ME \$10.00	WI		
MI \$9.25			
MN \$9.65			
MO \$7.85			
MT \$8.30			
NE \$9.00			
NJ \$8.60			
NM \$7.50			
NV \$8.25			
NY \$10.40			
OH \$8.30			
OR \$10.25			
RI \$10.10			
SD \$8.85			
VT \$10.50			
WA \$11.50			
WV \$8.75			

Best practice: Highest minimum wage between federal and your state or local prevail.
Post all applicable wage and hour posters



EXEMPTION STATUS – Salary vs. Duties test

89% of employers who needed to make changes under “new rule” made change

Proposed \$47, 700.00 may end up closer to \$30K – \$35K

Best practice: Determine exemption status under both salary and duties test. Stay vigilant that change may still come.





Section 13403, Employer Credit for Paid Family and Medical Leave:

Eligible employers can claim a general business credit equal to a percentage of wages paid to qualifying employees on leave under the Family and Medical Leave Act (FMLA).

To receive the credit, employers will have to provide at least two weeks of leave and compensate workers at a minimum of 50 percent of their regular earnings.

The credit will range from 12.5 percent to 25 percent of the cost of each hour of paid leave, depending on how much of a worker's regular earnings the benefit replaces. The government will cover 12.5 percent of the benefit's costs if workers receive half of their regular earnings, rising incrementally up to 25 percent if workers receive their entire regular earnings.





Employers can only apply the credit toward workers who have been employed at the organization for at least a year and who were paid no more than \$72,000 for 2017. (This wage ceiling will be adjusted for inflation going forward.)

Both full-time and part-time workers, must be offered paid to qualified employees on FMLA for an employer to be able to claim the tax credit.

Employers must allow part-time employees to take a commensurate amount of paid leave, determined on a prorated basis.

Employer must have a separate written policy providing for the leave cannot be included in vacation, sick or other leave policy.

Best Practice: This is a tax credit and not automatic. Employers can choose to apply or not but must follow guidelines for credit to be applicable. Credit does not apply for any leave required or paid by state or local law. Credit is currently only available for 2018 and 2019.



State/Municipality Leave Laws

States are moving in 3 directions:

- Paid Family Leave,

- Paid Sick Leave

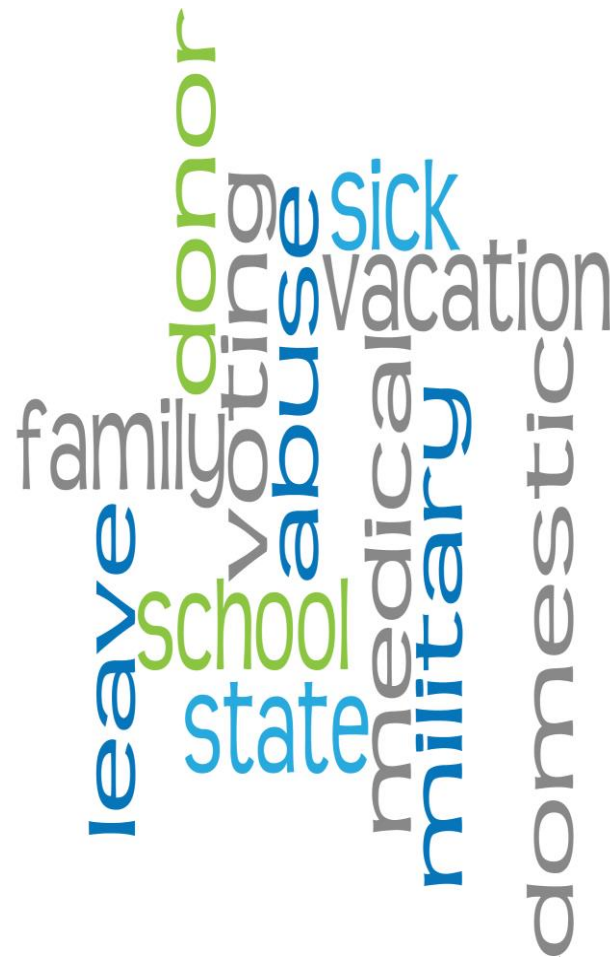
- School leave

(with most unpaid with exception of exempt employees under the Fair Labor Standards Act.)

Compare of State and Local leave laws

HR360 - handout

abetterbalance.org





Scheduling Laws

State vs. Municipality

Work-Life Balance – Predictive Scheduling

primary industry

Food Service and Retail

San Francisco, Seattle, Emerygille, San Jose, Oregon, New York City



Pros*

- ☐ Employer must offer additional hours first to part time employees. This includes the restriction on offering temporary or seasonal work to temporary employees.
- ☐ Employers must post schedules a minimum of 2 weeks in advance. Any changes within a 2 week window will result in the employee being paid an additional 2-4 hours of pay.
- ☐ Requires an additional 2-4 hours of pay when employees are on call or if a shift is cancelled within 24 hours of the shift starting.
- ☐ Employers must offer the same proportional benefits to part time employees that full time employees get. This includes equal hourly pay, paid time off, sick leave, and promotional opportunities.

Cons

- ☐ Employers are less flexible with employees schedules
- ☐ Businesses offering fewer part-time positions
- ☐ Fewer jobs being created
- ☐ Technology taken place of employees i.e. tablet ordering





BEST PRACTICES – Leave and Scheduling Laws

Stay current on Federal, State and Local laws

Whichever has the greatest impact to benefit employee should prevail.



LGTBQ and Transgender Identity

EEO policy – Federal regulations do not address LGBTQ
State regulations may require non-discrimination policy

Best Practices: Considerations for Gender Identification:
Inclusion and Respect
Workplace Sensitivity Training
Gender Neutral bathrooms
Know State/Local EEO laws and OSHA requirements





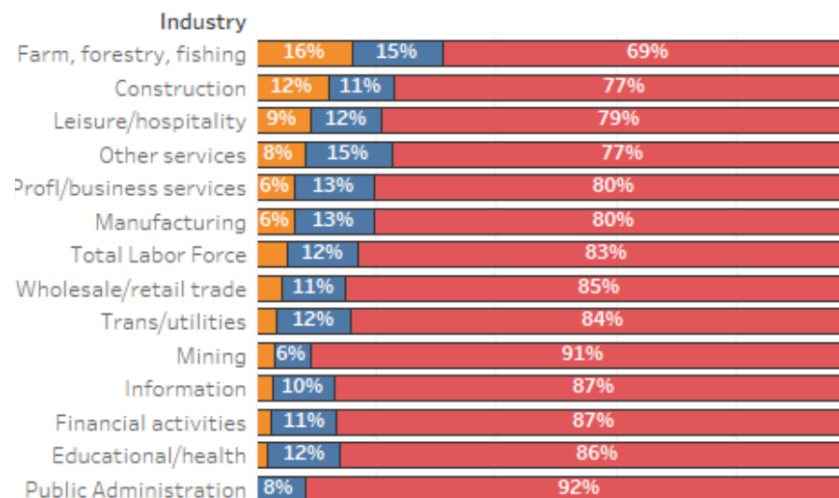
Immigration

Trump Administration policy: Put America First

Industries with highest rate of undocumented workers

■ Unauthorized Immigrants
 ■ Legal Immigrants
 ■ U.S.born

By industry employment





- ☐ Department of Homeland Security reviewing current program.
- ☐ Applications being reviewed with greater scrutiny
- ☐ Acting Director Homeland Security increasing audits of I-9
- ☐ Review State Law
 - ☐ CA illegal for employers to provide access to or records without court order.

Best Practice: I-9's maintained in separate file
Use new I-9 and use non-expired form [FORM 1-9](#)
Conduct in-house audit of I-9's to ensure completed properly and current documentation
Do not backdate documentation. Always use current date to modify. Documented support of why you made change.



Discrimination – Sexual Harassment

Unwelcome sexual advances, requests for sexual favors, and other verbal or physical harassment of a sexual nature.

- ☐ Explicitly or implicitly affects an individual's employment;
- ☐ Unreasonably interferes with an individual's work performance
- ☐ Creates an intimidating, hostile or offensive work environment





EEOC statistics

Litigated Awards in last 90 days

\$550,000.00
\$340,00 .00
\$ 75,000.00
\$ 70,000.00
\$ 15,000.00

GEO Group
Indi's Fast Food
TransOcean Seafoods
Rocky Mountain Casing Crews
Bojangles

This table shows charge data for sexual harassment allegations, i.e., harassment of a sexual nature (harassment allegation: charges filed both with the EEOC and also with Fair Employment Practice Agency partners, go to [Sexual Harassment Char](#)

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Receipts	7,944	7,809	7,571	7,256	6,862	6,822	6,758
% of Charges Filed By Males	16.2%	16.1%	17.8%	17.6%	17.5%	17.1%	16.6%
Resolutions	8,959	9,195	8,924	7,758	7,037	7,289	7,433
Resolutions By Type							
Settlements	995	1,039	977	879	786	834	698
	11.1%	11.3%	10.9%	11.3%	11.2%	11.4%	9.4%
Withdrawals w/Benefits	548	523	537	518	526	597	595
	6.1%	5.7%	6.0%	6.7%	7.5%	8.2%	8.0%
Administrative Closures	2,086	1,962	1,892	1,763	1,637	1,690	1,701
	23.3%	21.3%	21.2%	22.7%	23.3%	23.2%	22.9%
No Reasonable Cause	4,551	4,975	4,842	4,066	3,662	3,770	4,019
	50.8%	54.1%	54.3%	52.4%	52.0%	51.7%	54.1%
Reasonable Cause	779	696	676	532	426	398	420
	8.7%	7.6%	7.6%	6.9%	6.1%	5.5%	5.7%
Successful Conciliations	242	238	243	212	152	152	192
	2.7%	2.6%	2.7%	2.7%	2.2%	2.1%	2.6%
Unsuccessful Conciliations	537	458	433	320	274	246	228
	6.0%	5.0%	4.9%	4.1%	3.9%	3.4%	3.1%
Merit Resolutions	2,322	2,258	2,190	1,929	1,738	1,829	1,713
	25.9%	24.6%	24.5%	24.9%	24.7%	25.1%	23.0%
Monetary Benefits (Millions)*	\$41.2	\$45.1	\$43.0	\$44.6	\$35.0	\$46.0	\$40.7

* Does not include monetary benefits obtained through litigation.



Section 13307 of H. R. 1 added the following to section 162 of the tax code:

PAYMENTS RELATED TO SEXUAL HARASSMENT AND SEXUAL ABUSE

No deduction shall be allowed under this chapter for-

- (1) any settlement or payment related to sexual harassment or sexual abuse if such settlement or payment is subject to a nondisclosure agreement, or
- (2) attorney's fees related to such a settlement or payment





EEOC Employer resources

<https://www.eeoc.gov/employers/smallbusiness/index.cfm>

BEST PRACTICES: Have a policy established prohibiting sexual harassment, distribute, and annually train supervisors and staff.

Promptly and thoroughly conduct an impartial investigation into allegations.

Take immediate steps to stop any confirmed harassment and follow-up to ensure it does not continue.





Workplace Violence

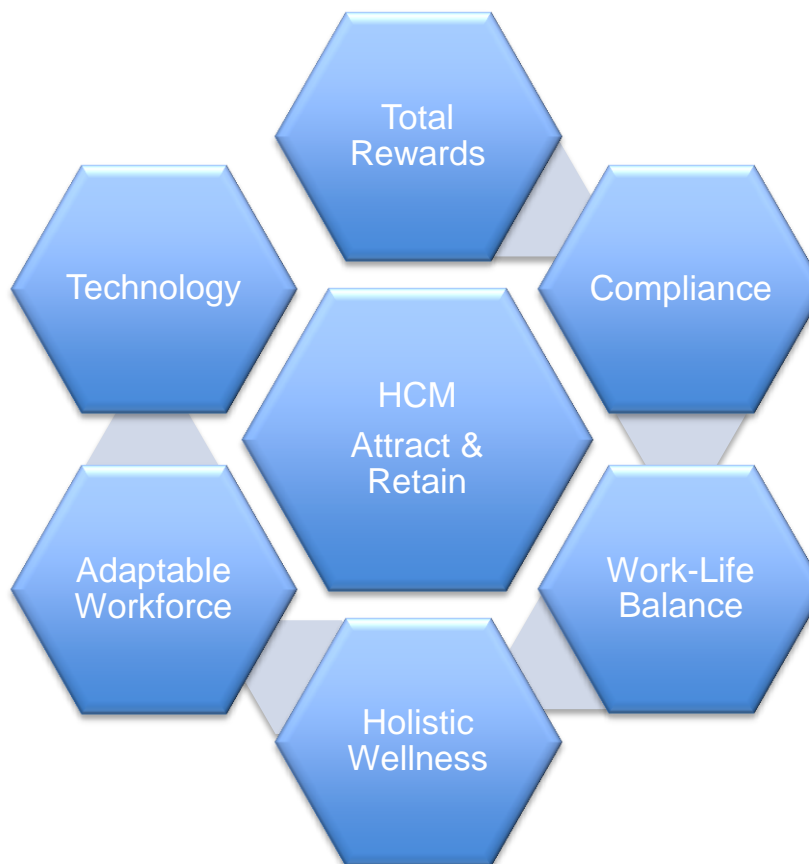
OSHA requires that employers maintain a reasonably safe and healthy workplace.

Best practice: Develop and maintain a Workplace Violence Policy and Weapons Policy
Review and follow your state/local procedures for conducting background checks on all applicants
Coordinate response plan with building owners, local police department, hospital



2018 HR Compliance Philosophy

Stay connected







For more information contact

Bobbi Kloss

Director, Human Capital Management Services
at 440-528-0302, or email at

bkloss@benefitadvisorsnetwork.com