



Maintaining Compliance With State & Local  
Labor and Pay Regulations





# Introduction

*Proposed state and local labor regulations are adding complexity to an already challenging federal compliance environment.*

Managing compliance with federal labor laws is difficult enough for HR and payroll managers given constantly changing regulations and the ongoing list of pending legislation. Add individual state and local labor requirements to that mix and it's no wonder that those responsible for maintaining compliance and processing payroll within their organization are frustrated and struggling to keep up.

If your organization is operating in multiple states and jurisdictions or are kicking off operations in a locale where you haven't done business before, it's important to understand the impact of local labor regulations and be able to easily adapt to prevent risk.

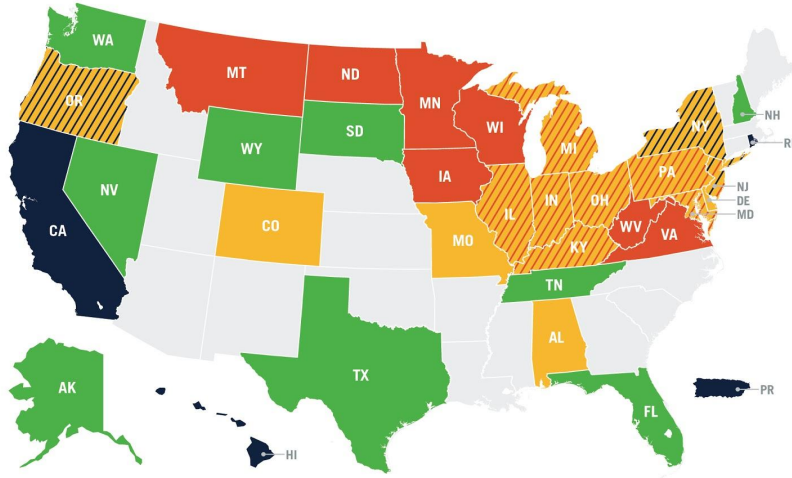
This eBook discusses the six major employment areas that can easily trip up business leaders when their organizations venture into new locations or states. Learn what you need to know about the labor laws in certain areas, how our solution helps ensure your operation is following all labor law regulations in all the jurisdictions that you operate.

*The following is not intended as legal advice regarding the specific legislation referenced in this e-book, and you should consult with your legal counsel concerning the requirements of such legislation.*

# State and Local Tax Withholding and Reciprocity

*Withholding state and local taxes from employee pay sometimes can be tricky.*

When an employee works in one city or state but lives in another, reciprocity agreements may allow an employer to withhold taxes based on residency, not on work location. Knowing which states or cities allow this and which don't can be overwhelming. If your organization has operations in any of the states with complex withholding or reciprocity regulations, then you need to pay special attention to these regulations.



## Least Complex:

■ No State or Local Tax Withholding

## Most Complex:

■ Local Tax Withholding Regulations  
■ Withholding for State Disability Insurance  
■ State Tax Reciprocal Agreements

■ Local Tax Withholding Regulations and Withholding for State Disability Insurance  
■ Local Tax Withholding Regulations and State Tax Reciprocal Agreements  
■ Local Tax Withholding Regulations, Withholding for State Disability Insurance, and State Tax Reciprocal Agreements

Source:  
Payroll Taxes, *State Tax Research* (Accessed April 23, 2018), found at <https://www.payroll-taxes.com/state-tax>.



## Source:

Payroll Taxes, *State Tax Research* (Accessed April 23, 2018), found at <https://www.payroll-taxes.com/state-tax>

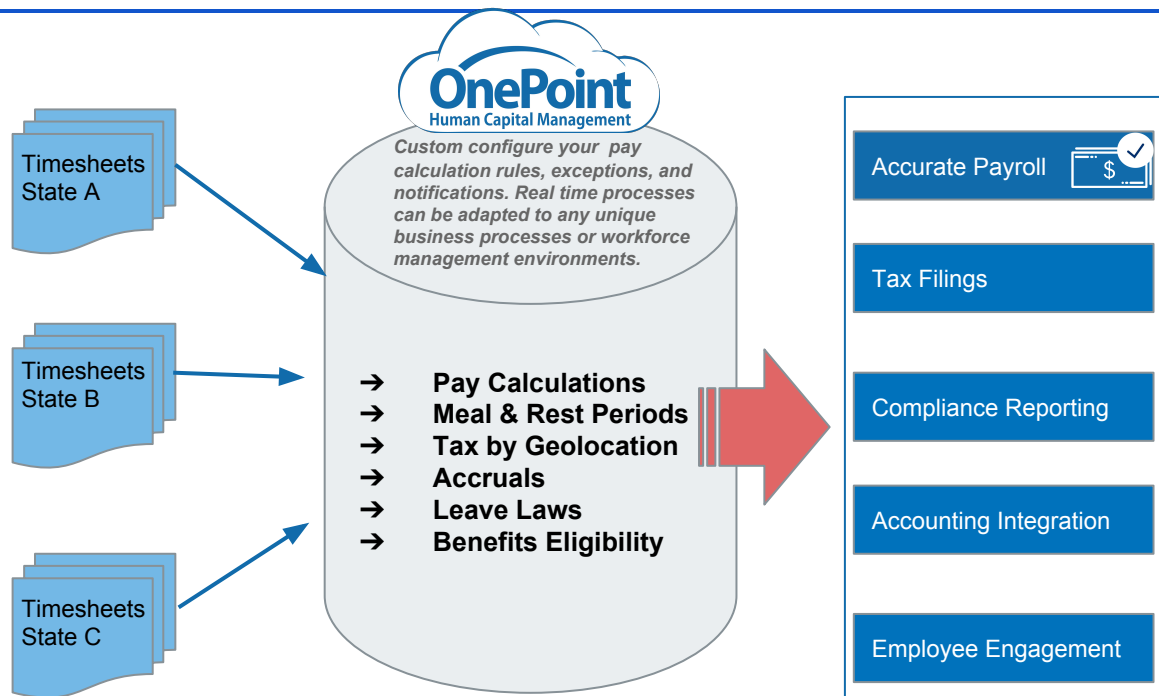


# A powerful rules based engine to solve complex pay calculations, labor distribution, and tax configuration

## Invest in HR technology solutions that adapt to your unique business needs.

Don't be faced with fees, fines, and penalties for not complying with tax agency requirements. Invest in technology that provides the flexibility to handle the complexities of tax withholding and remitting.

Alleviate the burden of managing to different regulations by using modern payroll technology. Distinguish taxation based on employee residency and work locations — and handle multi-state taxing. With payroll and timekeeping systems on a single platform, capturing accurate time- and location -worked information becomes a seamless process.

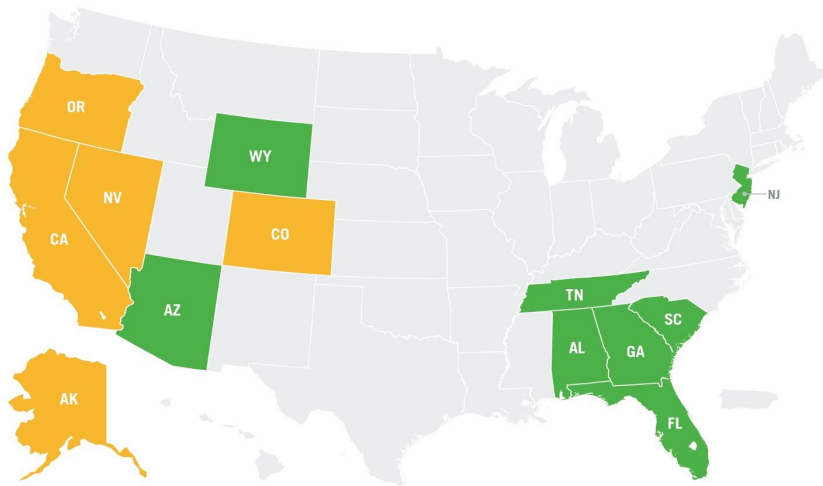


*With OnePoint HCM technology, set up pay profiles that account for state and local requirements to easily withhold the correct amount from each employee's paycheck and remit the appropriate amount to each taxing agency.*

# Overtime Complexities

*Inaccurate overtime tracking and calculations can lead to noncompliance penalties.*

Although tracking employee wages and overtime can be challenging, it's critical for employers to understand pay rules and how they impact not only an employee's pay but also the organization through the imposition of possible fines, fees, and penalties for noncompliance. Most states follow the federal rules set forth under FLSA (Fair Labor Standards Act), but there are exceptions. While no state can require less than the federal FLSA rules, states can create more employee-friendly regulations. These exceptions can quickly create issues for an employer.



**Least Complex:**

Standard Federal FLSA Rules Apply: Hours worked over 40 in a workweek are to be paid at time and one-half

**Most Complex:**

Daily Overtime Regulations and Maximum Hours Restrictions

Sources:

United States Department of Labor, *Overtime Pay: General Guidance* (Accessed April 16, 2018), found at [https://www.dol.gov/whd/overtime/general\\_guidance.htm](https://www.dol.gov/whd/overtime/general_guidance.htm).

United States Department of Labor, *Minimum Wage Laws in the States* (Accessed April 16, 2018), found at <https://www.dol.gov/whd/minwage/america.htm>.



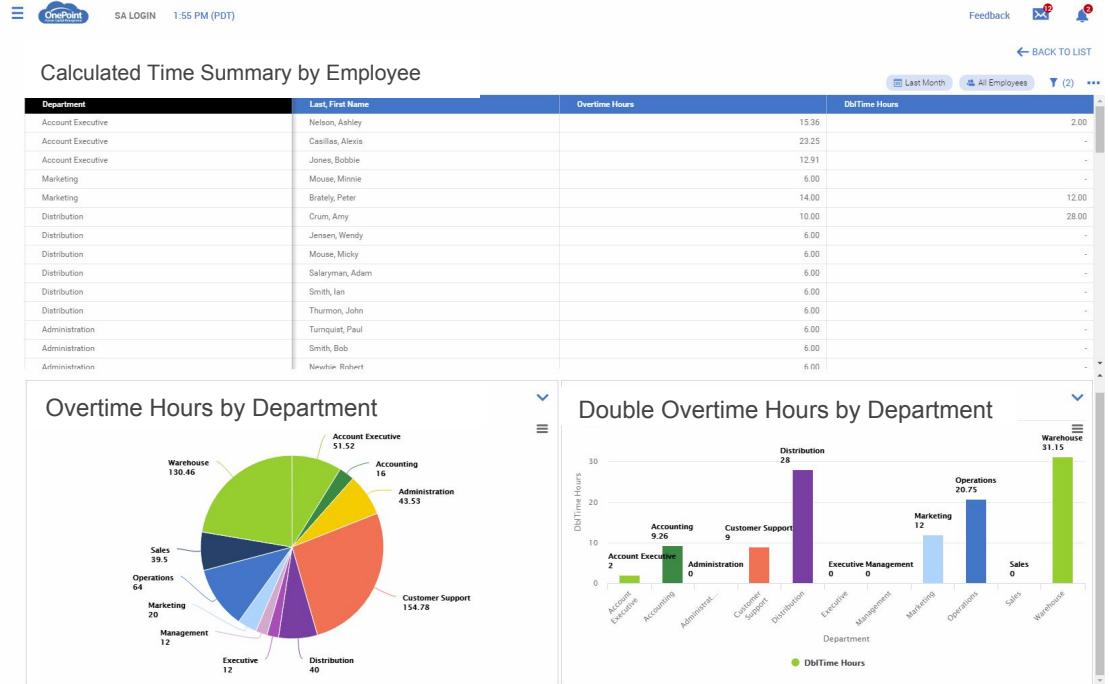
# Managing Overtime Complexities

## Technology solutions that help manage complex overtime policies

Our versatile pay rules engine built into the timekeeping software can simplify the process of determining pay associated with regular and overtime hours.

Our robust timekeeping system can be configured to any number of scenarios to accurately track worked time, such as shift differentials, order of importance, daily and total hours worked, and more.

Our single database architecture enables real-time dashboards for hours-worked and can deploy alerts and notifications when employees are approaching overtime thresholds.



*OnePoint provides the tools to help you better manage your employees and labor costs to meet your business and customer needs — and maintain compliance.*

*Varying meal and rest break rules can be complex and create confusion.*

Likewise, rest periods vary from state to state, with some states simply allowing for 30 minutes of rest or a meal after five hours worked, or as little as five minutes of rest for every four hours worked. To add to the confusion, some states distinguish between paid breaks and non-paid breaks by the amount of time an employee takes while on break.

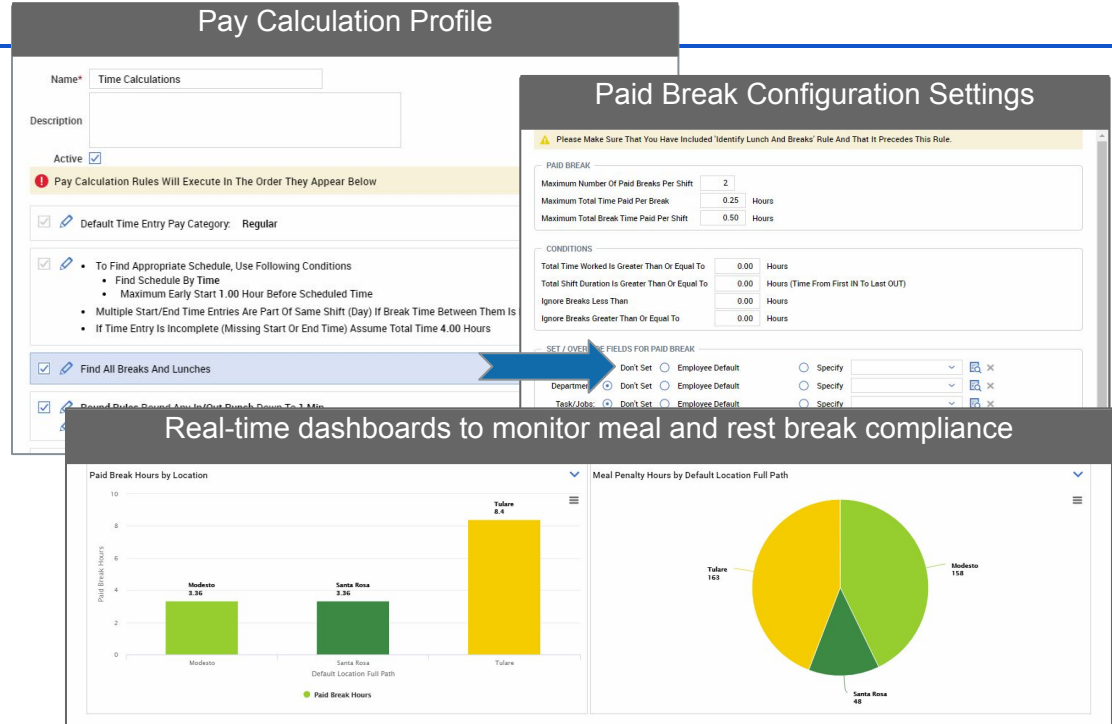


# Consistently Apply Meal and Rest Break Rules

Each state has its own set of break requirements for specific worker types that an employer must follow or risk costly fees, fines, and penalties.

Having accurate employee schedules is a starting point, and coupling this with the pay rules engine seamlessly sharing data with the timekeeping solution provides the necessary automation and adherence to varying and complex work and pay rules.

The advantage of modern technology is building the rules and parameters once, and with centralized policy and rule configuration in the solution, knowing that the same set of rules will apply to all employees assigned to a job category.



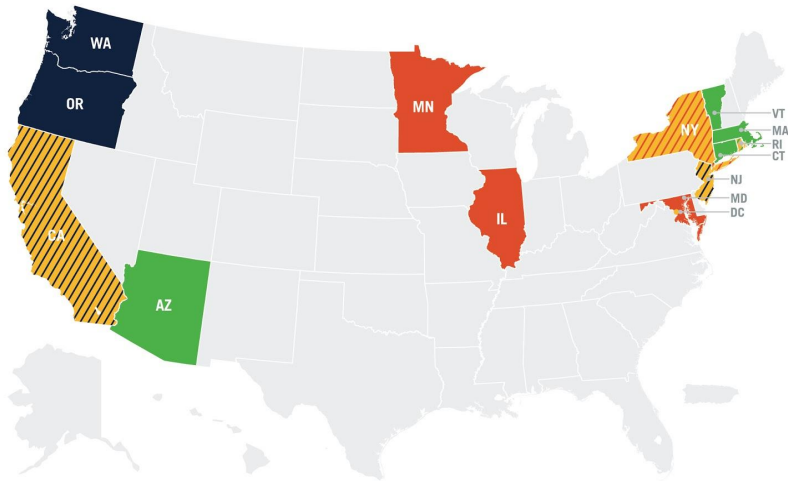
*Our unified HCM platform maintains your rules configurations in a centralized database so that you can clearly communicate and apply your policies fairly across your entire workforce.*



# Paid Leave Laws

*Changing paid leave laws bring new rules that can be difficult to apply manually.*

In the absence of federal regulations, a growing number of states and local jurisdictions have passed paid sick leave laws. In addition, paid family leave is gaining strength and adds more complexity to tracking leave. Each new law can have its own rules and restrictions, requiring that each set of rules that applies to your state or local jurisdiction be incorporated into your HR/payroll system. For employers with operations in multiple states, this can be challenging, as they aren't able to operate under a single set of rules. This can cause confusion for employees and makes it difficult for organizations to streamline configurations within their HR/payroll systems.



## Least Complex:

- States with One Regulation for the Entire State
- States with One Regulation for the Entire State and Paid Family Leave

## Moderately Complex:

- States with a Local Ordinance and No Statewide Sick Leave
- States with Paid Family Leave
- States with a Local Ordinance and No Statewide Sick Leave but with Paid Family Leave

## Most Complex:

- Multiple City Regulations Within the State and May Also Have a Statewide Regulation
- Paid Family Leave and Multiple City Regulations Within the State and May Also Have a Statewide Regulation



## Sources:

Society for Human Resource Management, *Paid Sick Leave Laws Interactive Map* (Accessed April 16, 2018), found at <https://www.shrm.org/resourcesandtools/legal-and-compliance/state-and-local-updates/pages/paid-sick-leave-laws-by-state.aspx>.

Workplace Fairness, *State and Local Paid Sick Leave Laws* (Accessed April 16, 2018), found at <https://www.workplacefairness.org/paid-sick-leave>.

# Automate Paid Leave Law Compliance

When faced with managing and staying abreast of frequent leave law changes, investing in a unified solution with a single database — and employee record — for HR to timekeeping to payroll is the smart choice.

Tracking and accruing the correct leave amounts, per policy, can quickly become overwhelming without automation and centralized policy control.

Our HR and leave solution is able to not only to track and accrue, but also generate action letters based on policies, provide alerts when thresholds are met, and be flexible enough to meet varying rules based on company and legal requirements.

Ensure your employees have the right amount of leave to take at the right time, and have confidence you are meeting all your compliance obligations.

## Configure paid leave rules to meet any jurisdiction requirements

Configure various rules by employee group to meet specific sick leave accrual requirements to simplify compliance with local laws. Maximum Annual Sick Leave Accrual Caps.

## Manage Leave Cases from your home dashboard

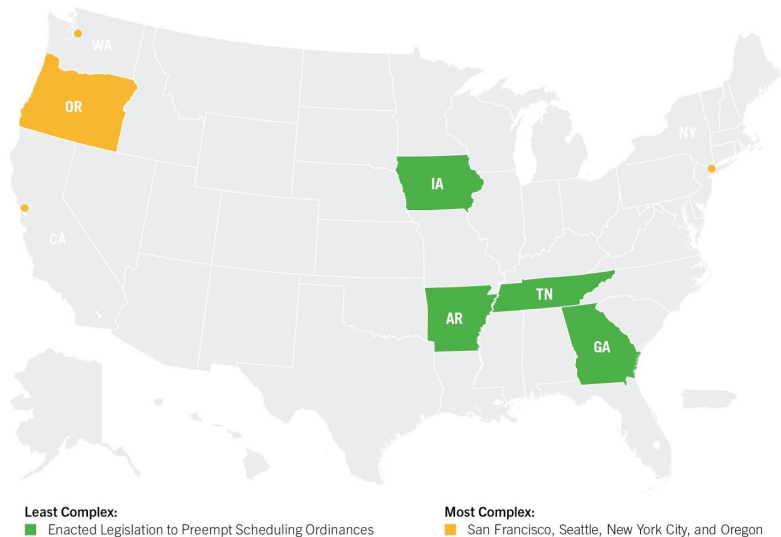
LEAVE OF ABSENCE CASES				
Rows On Page	10	Showing: 1-10 of 25	Page 1 of 3	
	EMPLOYEE NAME	START DATE	CATEGORIES	STATUS
<input checked="" type="checkbox"/>	Garry Hill-Thomas	05/16/2014	Family Medical Leave Act, California Family Rights Act	Closed
<input checked="" type="checkbox"/>	Jennifer Davis	06/01/2014	Family Medical Leave Act, California Family Rights Act	Closed
<input checked="" type="checkbox"/>	Demetrius Burke	09/26/2014	Family Medical Leave Act, Military Leave, California Family Rights Act	Closed

*Accurate leave accruals combined with centralized rules and policies ensure employees have the right amount of leave to take at the right time, with the confidence you are meeting all your compliance obligations.*

# Predictive Scheduling and Fair Workweek

*Meeting predictive scheduling legislation requirements can be daunting with manual processes.*

Predictive scheduling laws generally affect the retail, hospitality, and food service industries and are being enacted to give employees predictable schedules that foster better work-life balance and greater financial stability. For employers, however, accurately forecasting customer traffic and demand weeks in advance to meet predictive scheduling requirements can be nearly impossible with manual processes. The result can be overstaffing, leading to additional labor costs, or understaffing, creating overwhelmed employees and unhappy customers. And the last-minute schedule changes typical in these industries can create scheduling conflicts for employees — and fines, penalties, and unforeseen costs for employers.



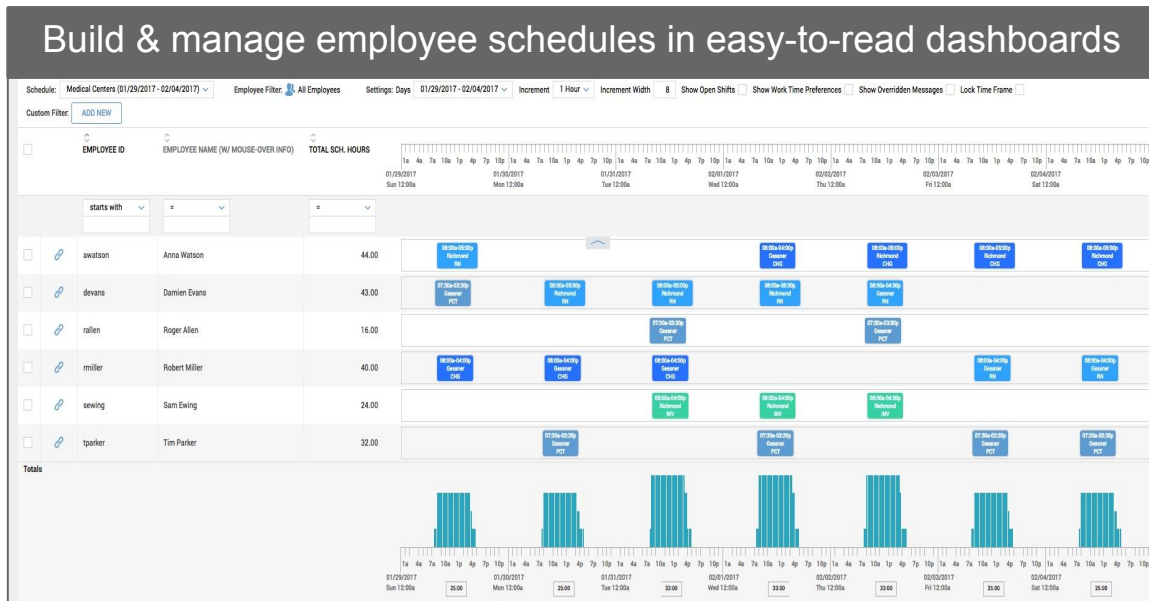
# Be Proactive with Predictive Scheduling Compliance

**Prepare now to avoid potential compliance issues later.**

From advance notice, predictable pay, and on-call pay practices to reporting-time pay, split-shift pay, right to rest, and other legal provisions, the use of automated scheduling helps schedule employees accordingly and accurately record all pay practices.

In addition, automated scheduling improves the employee experience with more lead time to better balance work and life activities.

Automated solutions support meeting regulation requirements and your customer service needs while minimizing compliance risk.



***Build accurate and easy to read schedules with rules to meet compliance requirements. Give your employees more advanced lead time on their shifts and ability to accept open shifts or swap shifts based on pay and staffing rules.***



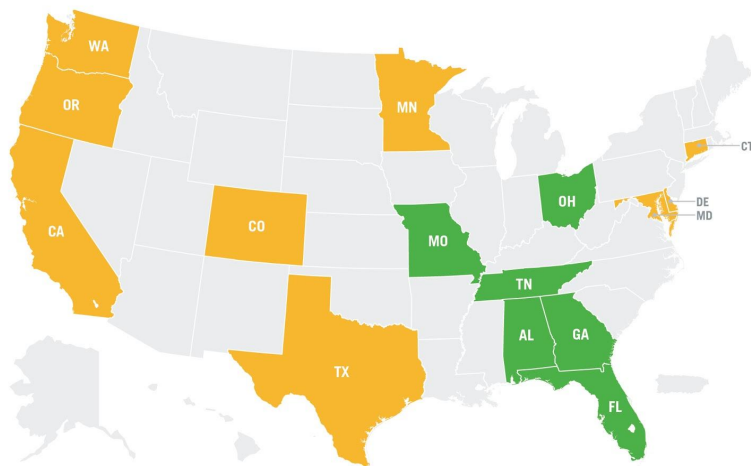
## Wage Statements

*Pay statement requirements could create compliance issues if your system isn't flexible.*

The federal government provides basic guidelines on information that needs to be recorded on an employee's paycheck statement, but some states go beyond standard reporting requirements. Pay codes may need to be itemized by pay rate and pay type. Accruals may need to show not just accrued time taken to date but also accrued time earned to date, or even a total of all hours worked.

Not only are there rules on what to include on the paycheck, but there also are rules, which can vary by state, on how to distribute paychecks and statements. Some may require a printed copy, even for employees who choose direct deposit and online review.

Your organization could be out of compliance if your payroll system doesn't have the flexibility to manage pay components all the way through to the wage statement.



**Least Complex:**

■ No State Requirements; Follow Federal Guidelines for Pay Statement Details

**Most Complex:**

■ Varying Itemized Paystub Requirements or Distribution Methods



Source:

The Lunt Group, *Employment Law Handbook* (Accessed April 23, 2018), found at <https://www.employmentlawhandbook.com/wage-payments-laws/>.

# Meet Varying Wage Statement Regulations

Invest in HR and payroll software that is flexible enough to adjust to the needs of each state's requirements.

Having standard pre-configured pay rules and the ability to make adjustments as policies, rules, and laws change removes potential obstacles that could result in noncompliance.

Every pay-related item also can be itemized on wage statements. For organizations that have operations in multiple states, meeting the requirements of the most complex state when building the configuration for all locations can reduce the impact of separate and/or duplicate coding and management.

The screenshot displays the 'Tax Jurisdictions Summary' interface, which includes a table of employee tax data and a detailed wage statement for a specific employee.

**Tax Jurisdictions Summary Table:**

Employee ID	Employee Name	State	ER SUTA
0009	Tom Ballister	California	ER SUTA California
0005	Tony Bernard	California	ER SUTA California
0005	Tony Bernard	Nevada	ER SUTA Nevada
0027	Katrina Casillas	Nevada	ER SUTA Nevada
0027	Katrina Casillas	California	ER SUTA California
0074	Linda Grangers	California	ER SUTA California
0074	Linda Grangers	Nevada	ER SUTA Nevada
0075	Sara Jefferson	California	ER SUTA California
0075	Sara Jefferson	Nevada	ER SUTA Nevada
0064	Wendy Jensen	Nevada	ER SUTA Nevada
0064	Wendy Jensen	California	ER SUTA California
0040	Scott Walters	Oklahoma	ER SUTA Oklahoma
0040	Scott Walters	California	ER SUTA California
0077	Linda Williams	Oklahoma	ER SUTA Oklahoma

**Detailed Wage Statement for Tom Ballister (0009):**

**Summary:** Gross Pay: \$14,400.00, Net Pay: \$10,400.00, Taxes: \$4,000.00.

**Breakdown:**

Category	Amount
Gross Pay	\$14,400.00
FICA	\$864.00
SUTA	\$1,152.00
State Tax	\$2,088.00
Local Tax	\$960.00
Net Pay	\$10,400.00

**Additional Information:** The detailed statement includes a section for 'Additional Information' with fields for 'Additional Allowance', 'Retroactive', and 'Supplemental Type'. It also includes a 'Company Paid Benefits' section with fields for 'Current' and 'YTD' amounts.

*State wage requirements are configured by profile so that employee's pay statements contain all the required information and are easily accessible through self-service.*

# Navigating Regulations Made Easier

Operating in multiple territories can be daunting when considering all these labor-related compliance regulations. This is all the more reason you need to be confident that your HR and payroll technology is flexible and robust enough to accommodate a variety of rules.

Our solution helps you navigate these rules and regulations with a centralized, configurable compliance setup that can be built to comply with each state's requirements. Open a new location or adapt to new labor laws in a current location with ease. Save valuable time and effort and minimize your compliance concerns with our solution in your corner.



## Unify Your Workforce with ONE Seamless HCM PLATFORM