

LEGAL MANAGEMENT

THE MAGAZINE OF THE ASSOCIATION OF LEGAL ADMINISTRATORS

HR Feature

HUMAN RESOURCES MANAGEMENT

2015 Ushers in Changes to Employment Law

What to expect at federal, state and local levels

With the start of every calendar year comes a flurry of change in employment laws that companies and their employees need to know how to navigate.



GINA HARKINS
Journalist

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MARK HUDSON
Attorney, Shuttleworth & Ingersoll, P.L.C.



Some changes affect all employers, such as new contribution limits for health savings accounts (HSAs). Others hit only companies of a certain size, like new rules tied to the Affordable Care Act, or companies in a specific location, like a minimum wage change in a specific city.

Here's what your law firm needs to know about the major changes set to shake up employment rules in 2015.

HEALTH CARE RULES

One of the biggest changes employers, including law firms, will see in 2015 is the start to the Affordable Care Act mandate implementation for large employers, said Mark Hudson, an attorney whose work focuses on labor and employment compliance with Shuttleworth & Ingersoll, P.L.C., in Iowa. "2015 is really the year that the large employers will be dealing with the issue and small employers have to figure out how they're going to address the issue," Hudson said.

The mandate, which requires companies to offer affordable health insurance to full-time employees or pay a penalty, went into effect on January 1 for companies with 100 or more employees. Those with 50 or more employees were given a one-year reprieve, but will need to prepare to meet the same guidelines by 2016, or face penalties.

While most employers have likely been prepping for those changes, Paul Shaheen, Vice President and Chair of The Horton Group's Law Professionals Practice, said there's a lesser known piece of the Affordable Care Act that requires some employers to provide pediatric dental coverage. "For small companies that decide to pick up a health care reform plan, the plan must include pediatric dental," Shaheen said. "It either has to be included on a medical plan or a group dental plan."




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LEIGH NASON

the Chair of Ogletree
Deakins’ Affirmative
Action/OFCCP Compliance
Practice Group



REPORTING REQUIREMENTS

Another big change employers face in 2015 that’s tied to the Affordable Care Act involves reporting how many employees they have and their benefits, Shaheen said. Keeping track of this information is one of the trickier pieces for employers. “The reporting is really a big one that [employers] ought to be keeping an eye on,” he said.

According to the [Internal Revenue Service’s website](#), anyone who provides minimum coverage to an employee is required to furnish statements. “Effective for calendar year 2015, if you provide self-insured health coverage to your employees, you must file an annual return reporting certain information for each employee you cover,” the site states. The rule was optional in 2014.

An additional reporting requirement unrelated to the Affordable Care Act comes from the Occupational Safety and Health Administration (OSHA). This year, the agency will require employers to report all workplace fatalities within eight hours. Any workplace hospitalizations or amputations will have to be reported to OSHA within 24 hours.

UPDATES TO OVERTIME PAY

In March 2014, President Barack Obama released a memo instructing the Secretary of Labor to modernize and streamline overtime regulations. The move could prompt the first overhaul of the Fair Labor Standards Act in a decade.

Obama’s memo stated that regulations for “white collar” exempt employees — particularly for executive, administrative and professional employees — have not kept up with the modern economy. In order for employees to be exempt from overtime pay, they have to receive at least \$455 per week.

But Hudson said there are talks of raising that amount. While no new rule has been decided yet, one could be released as early as February, he said. “What all employers are waiting on are the actual regulations,” Hudson said. “It’s going to be one of the larger issues employers face next year.”



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Vice President, The Horton Group, Inc.



NEW LIMITS

Each year generally brings about changes to contribution limits for employee programs like retirement plans and flexible savings accounts.

This year employees can contribute an extra \$500 toward their 401(k) plans. For those under age 50, that limit rises to \$18,000 per year. Those over age 50 are allowed a catch-up contribution, so their new limit jumps to \$24,000 per year.

Those who contribute to an employee-sponsored flex spending account — a type of savings account that allows employees to designate tax-exempt funds for certain health care-related expenses — will see their contribution limit up by \$50 to \$2,550.

COMPENSATION DISCLOSURE

Federal contractors and subcontractors could soon have to make sure their employees understand they can discuss their pay without facing retaliation.

The new rule would make official something the National Labor Relations Board has said for quite some time: Employers can't discipline or terminate employees for discussing pay unless they're disruptive about it, said Leigh Nason, the Chair of Ogletree Deakins' practice group that focuses on affirmative action and changes coming out of the Office of Federal Contract Compliance Programs.

“What this does is formalize in a different context what the NLRB has said, that if you get disciplined for discussing pay, someone is violating your rights,” Nason said. Employers could face official guidance on this as early as the first quarter, she said, which would mean they'd be required to add it to company manuals, handbooks and policies.

LOCAL CHANGES

While federal changes to employment law impact everyone, employers also need to be on the lookout for changes at the state, county and city levels, Hudson said. These changes could include everything from minimum wage regulations to ban the box laws and pregnancy accommodation laws.

In Illinois, for example, the governor signed into law amendments to the state's Human Rights Act. Changes require employers to accommodate employees with conditions related to pregnancy or childbirth. In the District of Columbia, employers can no longer ask job applicants about arrests or criminal convictions during the interview process — it must wait until a conditional offer has been extended. Or if a company is based in Seattle, it needs to meet new minimum wage requirements.

It's important for employers to keep on top of changes not only at the federal level, but the state and local levels as well, so they meet all necessary regulations, Hudson said. That gets especially complicated for companies that have locations in different jurisdictions, he added.

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