

HRK Monthly Roundup: HR, Benefits, and Payroll News



Federal

- **Changes proposed for employee tip regulations.** The US Department of Labor (DOL) proposes to change employee tip regulations under the Fair Labor Standards Act. Its proposed rule, published on October 8, 2019, seeks to align regulations with legislation that was approved by Congress in 2018 and to incorporate DOL guidance regarding tipped wages. The proposed rule would also:
 - Prevent employers (including managers and supervisors) from keeping employee tips
 - Allow nontipped employees to share in the tip pool, if the employer does not use the tip credit
 - Allow employers to use the tip credit when paying tipped employees for nontipped activities that are “contemporaneously” done with tipped activities
- **New method proposed for electronic delivery of retirement plan disclosures.** On October 23, 2019, the DOL proposed additional safe harbor for the use of electronic media by employee benefit plans to furnish information to participants and beneficiaries of the employee pension benefit plan disclosures. The proposed rule, if adopted, would allow plan administrators to make retirement plan disclosures available on a website. The DOL expects the proposal to improve the effectiveness of the disclosures and scientifically reduce the costs associated with providing these recurring ERISA (Employee

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Retirement Income Security Act) disclosure. The proposal would not apply to employee welfare benefit plans, such as group health plans or plans providing disability benefits. If the proposal is adopted, plan administrators may continue to use the existing safe harbor for electronic delivery of disclosures or furnish paper documents by hand delivery and/or mail. This proposal also allows individuals who prefer to receive these disclosures on paper to request paper copies and opt out of electronic delivery entirely.

Alaska

- **Minimum wage increased.** Effective January 1, 2020, a new minimum wage increase will take effect. The rate will increase from \$9.89 per hour to \$10.19 per hour. This follows the Alaska Attorney General's formal legal opinion in October 2018 — that the Alaska Statutes 36.10.150, otherwise known as the Alaska Resident Hire Law, violates both the US and Alaska constitutions and, therefore, the State of Alaska should stop enforcing its provisions.

California

- **Lactation accommodation toughened.** Effective January 1, 2020, a new law that California adopted on October 10, 2019, takes effect. This new law strengthens lactation accommodation protections for employees. It requires employers to provide employees with a private lactation room that:
 - Is safe, clean, and free from any hazardous materials and is not a bathroom
 - Includes a surface for a breast pump and any personal items
 - Has a place to sit as well as access to electricity or other devices (such as extension cords or charging stations) needed to operate breast pumps

In addition to providing a lactation room, employers must provide employees with:

- Access to a sink with running water
- A place that is suitable to store expressed milk, i.e., a refrigerator
- Water and storage access close to the employee's workspace

Employers who have fewer than 50 employees may be exempt from one of the requirements listed in the new law if they are able to prove that providing this accommodation would cause them significant difficulty or expense in relation to size, financial resources, or nature of the business.

Employers must implement a lactation policy that is also included in their employee handbook or set of policies that are made available to employees. The policy must be given to new employees upon hire and when an employee requests parental leave or asks for more information.

Florida

- **Minimum wage increased.** The State of Florida has announced a new Minimum Wage Rate increase from \$8.46 per hour to \$8.56 per hour, effective January 1, 2020. Likewise, the minimum rate for tipped employees will increase from \$5.44 per hour to \$5.54 per hour. This 10-cent minimum wage rate increase was approved to adjust for inflation.

Montana

- **Minimum wage increased.** Effective January 1, 2020, a new minimum wage increase will take effect. The rate will be increasing from \$8.50 per hour to \$8.65 per hour. The increase is due to the state's annual adjustment to take inflation into account.

South Dakota

- **Minimum wage increased.** Effective January 1, 2020, a new minimum wage increase will take effect. The rate will be increased from \$9.10 per hour (\$4.55 per hour for tipped employees) to \$9.30 per hour (\$4.65 per hour for tipped employees). This increase is designed to reflect changes in the cost of living, which is measured by the US Department of Labor Consumer Price Index.

Vermont

- **Minimum wage increased.** Effective January 1, 2020, a new minimum wage increase will take effect. The rate will increase from \$10.78 per hour (\$5.39 per hour for tipped employees) to \$10.96 per hour (\$5.48 per hour for tipped employees). The increase is due to the state's annual adjustment to take inflation into account.

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