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Timely, topical insights on a variety of payroll and reporting issues.



### California Expands Organ Donation Leave

On September 20, 2019, California Governor Gavin Newsom signed Assembly Bill 1223 (AB 1223) into law, which provides additional leave to California employees for organ donation.

Under current law, a private employer is required to permit an employee to take a leave of absence **with pay**, not exceeding 30 business days in a one-year period and requires a public employer to permit a public employee to take a similar paid leave of absence for organ donation, if the employee has exhausted all available sick leave.

AB 1223 requires that a private or public employer grant an employee an **additional unpaid leave of absence**, not exceeding 30 business days in a one-year period, for the purpose of organ donation. However, the public employee must first exhaust all available sick leave before taking that unpaid leave.

For a copy of AB 1223, click on the link provided below.

[http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201920200AB1223](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB1223)

### Maryland Enacts Organ Donation Leave

Effective October 1, 2019, Maryland House Bill 1284 requires Maryland employers with 15 or more employees to provide eligible employees with 60 business days of unpaid leave during any 12-month period to serve as an organ donor, and up to 30 business days to serve as a bone marrow donor.

The employee must have been employed for at least a 12-month period and have worked 1,250 hours during the previous 12 months in order to be eligible to take Organ Donation Leave. The employer may require written verification from a physician about the employee's donor status and the medical necessity for the donation.

Other highlights of the Maryland organ donation leave are as follows:

- The leave may not be considered a break in service for purposes of the employee's right to salary adjustments, sick leave, vacation, paid time off, annual leave or seniority.
- An employee taking leave is entitled to job reinstatement to the same or an equivalent position at the end of leave, unless the employee is being terminated for reasons not related to the leave.
- During the leave, the employee is entitled to continuation of group health coverage.
- Commissioned employees must receive any commissions earned due to work performed before taking leave.

**Please Note: The Maryland Organ Donation Leave does not run concurrently with the Family and Medical Leave Act.**

For a copy of Maryland House Bill 1284, click on the link provided below.

[http://mgaleg.maryland.gov/2019RS/Chapters\\_noln/CH\\_402\\_hb1284t.pdf](http://mgaleg.maryland.gov/2019RS/Chapters_noln/CH_402_hb1284t.pdf)

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## Alaska Announces January 1, 2020, Minimum Wage

The state of Alaska has announced that the state minimum wage will increase to \$10.19 per hour effective January 1, 2020, from its current level of \$9.89 per hour.

Alaska does not allow employers to utilize a tip credit when paying tipped employees.

Pursuant to Alaska Statute 23.10.065, the Alaska minimum wage is to be adjusted annually for inflation, based on the Consumer Price Index for all urban consumers for the Anchorage metropolitan area (Anchorage CPI-U) for the proceeding January-December calendar year.

The Alaska minimum wage increase applies to all employees in the private sector, whether working in a for-profit, not-for-profit or nonprofit business.

For a copy of the announcement, click on the link provided below.

[http://labor.state.ak.us/lss/forms/2020\\_Minimum\\_Wage\\_Determination.pdf](http://labor.state.ak.us/lss/forms/2020_Minimum_Wage_Determination.pdf)

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## Delaware Minimum Wage Set to Increase

The minimum wage in Delaware will increase from \$8.75 to \$9.25 per hour effective October 1, 2019. The minimum cash wage for tipped employees will remain at \$2.23 per hour.

The youth and training minimum wage rates will increase from \$8.25 to \$8.75 per hour. Employers may pay up to \$0.50 less per hour than the minimum wage rate for youth (under the age of 18) and training (first 90 days of employment) employees.

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## Minimum Wage Effective January 1, 2020 Announced for Montana

The state of Montana has announced that the state minimum wage will increase from \$8.50 per hour to \$8.65 per hour, effective January 1, 2020.

The minimum wage is adjusted annually, based upon the Department of Labor and Industry (DLI) determination of the cost-of-living adjustment calculated by reference to the increase in the consumer price index, if any, from August of the preceding year to August of the year in which the calculation is made. Such calculation must be made no later than September 30th.

Montana law does not allow for tip credit, meal credit or training wage rates of pay. As such, the minimum wage applies to all employees.

For a copy of the minimum wage announcement, click on the link provided below.

<http://erd.dli.mt.gov/Portals/54/Documents/Labor-Standards/2020-wage-letter.pdf?ver=2019-09-30-131949-487>

## Ohio Announces January 1, 2020, Minimum Wage

The state of Ohio has provided a notice stating that effective January 1, 2020, the minimum wage rate for non-tipped employees will increase from \$8.55 per hour to \$8.70 per hour, and the cash minimum wage rate for tipped employees will increase from \$4.30 per hour to \$4.35 per hour.

Employees working for employers whose annual gross sales are \$319,000 or less beginning January 1, 2020 (currently, \$314,000 or less), and employees under the age of 16, only need to be paid the federal minimum wage rate of \$7.25 per hour.

For a copy of the notice, click on the link provided below.

[http://www.com.ohio.gov/documents/dico\\_2020MinimumWageposter.pdf](http://www.com.ohio.gov/documents/dico_2020MinimumWageposter.pdf)

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## South Dakota Announces 2020 Minimum Wage

South Dakota has announced that the state minimum wage for non-tipped employees will increase from \$9.10 per hour to \$9.30 per hour effective January 1, 2020. The cash wage that employers must pay tipped employees will increase from \$4.55 per hour to \$4.65 per hour, also effective January 1, 2020.

Under South Dakota law, the state minimum wage is adjusted on an annual basis, increasing at the same rate as the cost of living as measured in the Consumer Price Index published by the U.S. Department of Labor. The amount of the increase is rounded to the nearest five cents. The minimum wage cannot decrease. The new adjusted rate must be announced for the following year no later than October 15th of each year.

For a copy of the announcement, click on the link provided below.

[https://dlr.sd.gov/news/releases19/nr\\_101019\\_minimum\\_wage.pdf](https://dlr.sd.gov/news/releases19/nr_101019_minimum_wage.pdf)

For a copy of the South Dakota Minimum Wage Poster, click on the links provided below:

English:

[https://dlr.sd.gov/employment\\_laws/publications/min\\_wage\\_poster\\_2020.pdf](https://dlr.sd.gov/employment_laws/publications/min_wage_poster_2020.pdf)

Spanish:

[https://dlr.sd.gov/employment\\_laws/publications/min\\_wage\\_poster\\_spanish\\_2020.pdf](https://dlr.sd.gov/employment_laws/publications/min_wage_poster_spanish_2020.pdf)

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## Vermont Minimum Wage Set to Increase in 2020

The state of Vermont has announced that the minimum hourly wage will increase from \$10.78 to \$10.96 as of January 1, 2020. On this same date, the required cash wage for tipped employees will increase from \$5.39 to \$5.48 per hour.

For a copy of the minimum wage increase announcement, click on the link provided below.

<https://labor.vermont.gov/press-release/press-release-vermont%E2%80%99s-minimum-wage-increase-2020>

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## ADP Compliance Resources

ADP maintains a staff of dedicated professionals who carefully monitor federal and state legislative and regulatory measures affecting employment-related human resource, payroll, tax and benefits administration, and help ensure that ADP systems are updated as relevant laws evolve. For the latest on how federal and state tax law changes may impact your business, visit the ADP Eye on Washington Web page located at [www.adp.com/regulatorynews](http://www.adp.com/regulatorynews).

ADP is committed to assisting businesses with increased compliance requirements resulting from rapidly evolving legislation. Our goal is to help minimize your administrative burden across the entire spectrum of employment-related payroll, tax, HR and benefits, so that you can focus on running your business. This information is provided as a courtesy to assist in your understanding of the impact of certain regulatory requirements and should not be construed as tax or legal advice. Such information is by nature subject to revision and may not be the most current information available. ADP encourages readers to consult with appropriate legal and/or tax advisors. Please be advised that calls to and from ADP may be monitored or recorded.

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