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NATIONAL ACCOUNT SERVICES

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IRS GUIDANCE EXTENDS ACA INFORMATION REPORTING DUE DATES

On December 28, 2015, the Internal Revenue Service (IRS) issued Notice 2016-4 (the Notice), which extends the due dates for certain 2015 information reporting requirements under the Affordable Care Act (ACA). In general, the Notice provides an automatic two-month extension of the deadline for furnishing applicable ACA forms to individuals and an automatic three-month extension of the deadline for filing applicable ACA forms with the IRS. The relief applies to: applicable large employers required to furnish employees with information and file information with the IRS under the Internal Revenue Code (Code) Section 6056 reporting requirements; health insurers; employers that sponsor self-insured health plans; and other providers of minimum essential coverage that are required to furnish individuals with information and file information with the IRS under Code Section 6055 reporting requirements.

Specifically, the Notice extends the deadline for furnishing to individuals the 2015 Form1095-C, *Employer-Provided Health Insurance Offer and Coverage*, and for filing with the IRS Forms 1095-C and corresponding 2015 Form 1094-C, *Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns,* as follows:

Previous IRS Due Date	New IRS Due Date
Forms 1095-C were due to individuals by **February 1, 2016**	**March 31, 2016**
Forms 1094-C and 1095-C were required to be filed with the IRS *if filing* on paper by **February 29, 2016**	**May 31, 2016**
Forms 1094-C and 1095-C were required to be filed with the IRS *if filing electronically* by **March 31, 2016**	**June 30, 2016**

The IRS likewise extended the due dates for the 2015 "B" Forms, the Form 1095-B, *Health Coverage* from February 1, 2016 to March 31, 2016, and the Form 1094-B, *Transmittal of Health Coverage Information Returns*, from February 29, 2016 to May 31, 2016, if not filing electronically, and from March 31, 2016 to June 1, 2016, if filing electronically.

These extensions apply automatically to all filers. Applicable large employers, health insurers, employers that sponsor self-insured health plans, and other providers of minimum essential coverage do not need to submit or do anything to take advantage of the new due dates. Filers who already submitted an extension request will not receive a reply from the IRS nor are they eligible for additional time extensions to the extended due dates announced in the Notice. Also, keep in mind that these extensions apply only to 2015 returns and information statements and do not apply in future years (e.g., the 2016 Form 1095-C must be furnished to individuals on or before January 31, 2017).

The Notice also notes that employers or other coverage providers that do not comply with the new extended due dates will remain subject to penalties under Code Sections 6722 or 6721 for failing to timely furnish and file, but encourages employers and other coverage

providers that do not meet the extended due dates to nonetheless furnish and file, because the IRS will take such furnishing and filing into consideration when determining whether to abate penalties for reasonable cause. When deciding on penalties, the IRS will also take into account whether an employer or other coverage provider made reasonable efforts to prepare for reporting the required information and furnishing it to employees and other covered individuals, such as gathering and transmitting the necessary data to an agent to prepare the data for submission, or testing its ability to transmit information to the IRS. In addition, the IRS will take into account the extent to which the employer or another coverage provider is taking steps to ensure that it is able to comply with the reporting requirements for 2016.

The Notice provides that the IRS "is prepared to accept filings of the information returns on Forms 1094-B, 1095-B, 1094-C, and 1095-C beginning in January 2016," and encourages employers and other coverage providers to furnish statements and file the information returns "as soon as they are ready."

HEALTH COVERAGE TAX CREDIT GUIDANCE ISSUED BY IRS

On December 22, 2015, the Internal Revenue Service (IRS) issued guidance on the restored health coverage tax credit (HCTC), a refundable tax credit equal to a portion of the premiums paid for COBRA or other qualified health insurance by certain Pension Benefit Guaranty Corporation (PBGC) pension recipients and individuals eligible under the Trade Adjustment Assistance (TAA) and Alternative Trade Adjustment Assistance (ATAA) programs via Notice 2016-02.

Background:

On June 29th, President Obama signed into law the Trade Preferences Extension Act of 2015 (Act) which restored the Health Coverage Tax Credit (HCTC) for all eligible coverage months commencing prior to January 1, 2020.

The HCTC was created by an amendment to Trade Act legislation, specifically the Trade Adjustment Assistance (TAA) Program. The TAA is a federal program that provides aid to workers who lose their jobs or whose hours of work and wages are reduced as a result of increased imports.

The HCTC is a refundable tax credit for 72.5% of the premiums that an **eligible individual (who meets certain conditions)** pays for coverage elected under the Consolidated Omnibus Budget Reconciliation Act (COBRA) or other qualified health insurance for the individual and his or her qualifying family members. The HCTC had expired on January 1, 2014 and is now available as a result of the Act.

Notice 2016-02 provides information on the revised HCTC, including who may claim it, procedures to claim it for 2014 and 2015, and the interaction of the HCTC with health care reform's premium tax credit for coverage through a Public Exchange. It also includes FAQs.

Please find below a few of the highlights:

- **Qualified Health Coverage**. The HCTC is available to offset the premium for certain qualified health insurance, including COBRA coverage, group health plan coverage through an eligible individual's spouse, individual coverage, and coverage under certain voluntary employees' beneficiary association (VEBA) plans. The notice explains that the trade legislation added to this list individual

coverage through a Public Exchange—but only for 2014 and 2015. In addition, the legislation removed a prior requirement that individual coverage start at least 30 days before an individual's termination of employment to be qualified health coverage.

- **Electing the HCTC.** For 2014 and later years, eligible individuals must make an affirmative election to claim the HCTC. The election, which generally must be made by the individual's tax return due date (including extensions), is irrevocable and applies to all subsequent coverage months in the taxable year. Extended election deadlines apply for tax years beginning after December 31, 2013 and before June 29, 2015.

- **Interaction of the HCTC and the Premium Tax Credit**. Because Exchange coverage is qualified health coverage for the HCTC for 2014 and 2015, an HCTC-eligible individual with coverage through an Exchange may claim either the HCTC or the premium tax credit. Once the HCTC election is made for an eligible coverage month, the individual is ineligible to claim the premium tax credit for the same coverage for that month and the remainder of the taxable year. Spouses may make separate elections; for example, one spouse may claim the HCTC while the other claims the premium tax credit.

- **Individual Tax Guidance**. The FAQs provide a wealth of guidance for individuals wishing to claim the HCTC retroactively for coverage months in 2014 and 2015. For example, special instructions apply for filing an amended 2014 tax return—particularly if the individual previously claimed the premium tax credit for the year. Also provided are tips for determining whether the HCTC or the premium tax credit would be most beneficial.

For a copy of Notice 2016-02, please click on the link provided below:

https://www.irs.gov/pub/irs-drop/n-16-02.pdf

2016 PUBLICATION 15-B RELEASED

The Internal Revenue Service (IRS) has released the 2016 version of Publication 15-B (Employer's Tax Guide to Fringe Benefits), which contains information for employers on the employment tax treatment of various fringe benefits, including accident and health coverage, adoption assistance, company cars and other employer-provided vehicles, dependent care assistance, educational assistance, employee discount programs, group-term life insurance, moving expense reimbursements, health savings accounts (HSAs), and transportation (commuting) benefits. (Publication 15-B uses the term "employment taxes" to refer to federal income tax withholding as well as Social Security and Medicare (FICA) and federal unemployment (FUTA) taxes.) Publication 15-B is a supplement to Publication 15 (circular E).

A few of the highlights under "What's New" are as follows:

Cents-per-mile rule. The business mileage rate for 2016 is 54 cents per mile. You may use this rate to reimburse an employee for business use of a personal vehicle, and under certain conditions, you may use the rate under the cents-per-mile rule to value the personal use of a vehicle you provide to an employee.

Retroactive increase in excludible transit benefits for 2015. The Consolidated Appropriations Act, 2016, increased the monthly transit benefit exclusion from $130 per participating employee to $250 per participating employee for the period of January 1, 2015, through December 31, 2015. Employers have been provided instructions on how to correct the social security and Medicare taxes on the excess transit benefits in future guidance.

Qualified parking exclusion and commuter transportation benefit. For 2016, the monthly exclusion for qualified parking is $255 and the monthly exclusion for commuter highway vehicle transportation and transit passes is $255.

Contribution limit on a health flexible spending arrangement (FSA). For plan years beginning after December 31, 2015, a cafeteria plan may not allow an employee to request salary reduction contributions for a health FSA in excess of $2,550.

For a copy of IRS Publication 15-B "Employer's: Tax Guide to Fringe Benefits" (For Benefits Provided in 2016), please click on the link provided below.

https://www.irs.gov/pub/irs-prior/p15b--2016.pdf

2015 VERSION OF PUBLICATION 502 RELEASED BY IRS

The Internal Revenue Service (IRS) has released the latest version of Publication 502, which describes what medical expenses are deductible by taxpayers on their 2015 federal income tax returns. This publication provides guidance on what qualifies as a medical expense under Code § 213(d), and thus helps identify the expenses that may be reimbursed or paid by health flexible spending accounts (health FSAs), health savings accounts (HSAs), or health reimbursement arrangements (HRAs), or covered on a tax-favored basis under other group health plans (e.g., an employer-sponsored medical plan). In addition, Publication 502 explains the itemized deduction for medical and dental expenses that you claim on Schedule A (Form 1040) and discusses what expenses, and whose expenses, you can and cannot include in figuring the deduction. It also explains how to treat reimbursements and how to figure the deduction and informs taxpayers on how to report the deduction on their tax return and what to do if taxpayers sell medical property or receive damages for a personal injury.

Under the "What's New" Section, the 2015 Publication 502 stated as follows:

Health coverage tax credit (HCTC). The HCTC, which expired at the end of 2013, has been reinstated retroactive to January 1, 2014. See *Health Coverage Tax Credit*, and Form 8885 and its instructions.

Standard mileage rate. The standard mileage rate allowed for operating expenses for a car when you use it for medical reasons is 23 cents per mile. See *Transportation* under *What Medical Expenses Are Includible*.

For a copy of Publication 502 (Medical and Dental Expenses (for preparing 2015 Returns), please click on the link provided below:

https://www.irs.gov/pub/irs-pdf/p502.pdf

IRS RELEASES 2015 VERSION OF PUBLICATION 503

The Internal Revenue Service (IRS) published Publication 503 for use in preparing 2015 tax returns, which describes the tests a taxpayer must meet in order to claim the credit for child and dependent care expenses and explains how to figure and claim the credit.

The 2015 version of Publication 503 provided the following "Reminders":

Taxpayer identification number needed for each qualifying person. You must include on line 2 of Form 2441, Child and Dependent Care Expenses, the name and taxpayer identification number (generally the social security number) of each qualifying person.

You may have to pay employment taxes. If you pay someone to come to your home and care for your dependent or spouse, you may be a household employer who has to pay employment taxes. Usually, you are not a household employer if the person who cares for your dependent or spouse does so at his or her home or place of business.

For a copy of Publication 503 (Child and Dependent Care Expenses (for 2015 Returns), please click on the link provided below:

https://www.irs.gov/pub/irs-pdf/p503.pdf

IRS ISSUES TRANSIT PARITY GUIDANCE

On January 11, 2016, the IRS issued Notice 2016-6 (Notice) to provide guidance related to Consolidated Appropriations Act, Pub. L. 114-113 (Act). Section 105 of the Act amended § 132(f)(2) of the Internal Revenue Code to create parity between the transit benefit exclusion and the exclusion for qualified parking.

Background:

On December 18, 2015, President Barack Obama signed into law the Act, which among a great number of other provisions, implements **on a permanent basis** transit parity with parking. Previously transit parity had been implemented, but only a temporary basis. This means that the same limits that an employee may receive on a tax-excluded basis (employee pre-tax salary reductions plus employer provided amounts) in a month will apply to both parking and transit expenses on a permanent basis. Historically, higher limits were provided for parking expenses than transit expenses. For example in 2015, the transit limit was $130 per month and the parking limit is $250 per month.

The following is a description of the Transit Parity provision as released by the Senate Finance Committee.

> Section 105 - Extension of parity for exclusion from income for employer-provided mass transit and parking benefits - The provision permanently extends the maximum monthly exclusion amount for transit passes and van pool benefits so that these transportation benefits match the exclusion for qualified parking benefits. These fringe benefits are excluded from an employee's wages for payroll tax purposes [social security and Medicare, including Additional Medicare Tax] and from gross income for income tax purposes.

The Act provides that transit parity with parking "shall apply to months after December 31, 2014." Consequently the transit parity is effective back to benefit months beginning on or after January 1, 2015.

On October 21, 2015, Internal Revenue Service (IRS) announced via Revenue Procedure 2015-53 that the dollar limitation on employee salary reductions for contributions in 2016 for transit and parking expenses would be $130 and $255 respectively. With the

enactment of the Act, the employee salary reduction limit for 2016 is $255 per month for both transit and parking expenses. It is important to note that any employer contributions count toward the monthly limit.

Notice 2016-6

In the Notice, the IRS provides guidance on the situations where an employer may provide employees with retroactive transit benefits for 2015 as well as the allowed and not allowed options for doing so and specific instructions on the required Form W-2 procedures regarding transit parity.

Not Allowed:

The Notice specifically provides that employers and employees may not retroactively increase the monthly transit benefit for 2015 to take advantage of the increase in the excludable amount for transit benefits in 2015. In addition, employees may not reduce their compensation by more than $255 per month (the 2016 monthly transit limit) in order to receive any permissible reimbursement for transit expenses incurred in 2015.

Allowed:

SPECIAL ADMINISTRATIVE PROCEDURE AVAILABLE TO EMPLOYERS WHO ORIGINALLY REPORTED TRANSIT BENEFITS RECEIVED IN EXCESS OF $130 FOR ANY MONTH IN 2015 AS TAXABLE INCOME AND WHO HAVE NOT YET FILED THEIR FOURTH QUARTER FORM 941 FOR 2015:

The Notice provides a special administrative procedure permitting employers to apply all related adjustments for 2015 to the fourth quarter 2015 Form 941, and in filing Forms W-2, Wage and Tax Statement. Employers who originally reported excess transit benefits (amounts over $130 per month) as includible in gross income and wages and withheld income taxes and FICA taxes would normally be required to file Form 941-X for each quarter to make corrections. However, Notice 2016-6 provides that employers that treated excess transit benefits as wages and that have not yet filed their fourth quarter Form 941 for 2015 may apply all related adjustments for 2015 to the fourth quarter 2015 Form 941.

Employers using this procedure must repay or reimburse their employees for the over-collected FICA tax on the excess transit benefits for all four quarters of 2015 on or before filing the fourth quarter Form 941. This procedure would avoid the need to file Forms 941-X and Forms W-2c.

Employers that paid transit benefits of more than $130 per month (excess benefit) and have not furnished 2015 Forms W-2 to their employees must take into account the increased exclusion for transit benefits in calculating the amount of wages reported in box 1, Wages, tips, other compensation; box 3, Social security wages; and box 5, Medicare wages and tips. Forms W-2 that have been issued and/or filed with the Social Security Administration must be issued as “corrected”, or a Form W-2c must be filed. Notice 2016-6 offered two examples where this procedure would be allowed:

1. If an employer gave an employee a monthly transit pass worth $200 for the month of December 2015 and included $70 in the employee’s taxable wages for the month for withholding purposes, the employer must subtract that $70 from the employee’s taxable wages reported on Forms 941 and W-2.

2. If an employer maintained a salary reduction plan and an employee purchased a $200 transit pass for the month of December 2015 by way of a pre-tax deduction of $130 and a post-tax deduction of $70, the $70 post-tax deduction must be

treated as a pre-tax deduction for purposes of reporting the employee's taxable wages on Forms 941 and W-2.

PROCEDURES FOR EMPLOYERS THAT HAVE FILED FOURTH QUARTER FORM 941 OR HAVE NOT REPAID OR REIMBURSED EMPLOYEES PRIOR TO FILING FOURTH QUARTER FORM 941:

Employers that have already filed the fourth quarter From 941 OR employers that have not repaid or reimbursed their employees who received excess transit benefits prior to filing on the fourth quarter Form 941, must use From 941-X to make an adjustment or claim for refund for excess benefits and follow the normal procedures. In addition, employers utilizing the normal 941-X procedure may not repay or reimburse, make an adjustment to, or seek a refund of Additional Medicare Tax or income tax deducted or withheld from the employee in 2015.

EMPLOYER INSTRUCTIONS FOR FORMS W-2:

- Employers who have not yet furnished 2015 Forms W-2 to employees must take into account on the Form W-2 to be provided to the employee the increased exclusion for transit benefits in 2015 (up to $250 rather than $130) in calculating the amount of wages reported in:
    - Box 1 (wages, tips, other compensation)
    - Box 3 (social security wages)
    - Box 5 (Medicare wages and tips)

- Employers that have repaid or reimbursed their employees for the overcollected Federal Insurance Contributions Act (FICA) (social security and Medicare and Additional Medicare) prior to furnishing Form W-2 must reduce the amounts of withheld tax by the amounts of the repayments or reimbursements to employees reported in:
    - Box 4 (social security tax withheld
    - Box 6 (Medicare tax withheld)

  This procedure must be followed whether the employer utilized the special administrative procedure or the normal procedure. HOWEVER, if the normal procedure is utilized, the amount reported in Box 6 (Medicare tax withheld) may not be reduced in relation to any Additional Medicare Tax withheld on the excess transit benefits because no repayment or reimbursement of Additional Medicare Tax is permitted after the end of 2015.

- Employers that repaid or reimbursed their employees for the overcollected FICA taxes after furnishing Forms W-2 to employees but before filing Forms W-2 with Social Security Administration (SSA) must:
    - Check the "Void" box at the top of each incorrect Form W-2 (Copy A).
    - Prepare new Forms W-2 with the correct information and send to SSA.
    - Write "CORRECTED" on the employees' new copies (B, C, and 2) and provided to employees.

- Employers that have already filed 2015 Forms W-2 with SSA must:
    - File W-2c, Corrected Wage and Tax Statement, to take into account the increased exclusion for transit benefits in 2015 and to reflect any repayments or reimbursements to the employee of the withheld FICA tax.
    - Must furnish copies of the Forms W-2c to the employees.

NOTE: In all cases, employers must report in Box 2, (federal income tax withheld) the amount of income tax actually withheld during 2015. The additional income tax withheld will be applied against the taxes shown on the employee's individual tax return.

For a copy of Notice 2016-6, please click on the link provided below:

https://www.irs.gov/pub/irs-drop/n-16-06.pdf

IRS RELEASES 2016 PUBLICATION 15

The Internal Revenue Service has released Publication 15 (a/k/a Circular E) Employer's Tax Guide for use in 2016. Publication 15 explains an employer's tax responsibilities and contains the final 2015 federal income tax percentage method and wage bracket withholding tables, important updates for 2015, and employer instructions for payroll and non-payroll tax withholding.

Some of the highlights of the 2016 Publication 15 are as follows:

Social security and Medicare tax for 2016. The social security tax rate remains 6.2% each for the employee and employer, unchanged from 2015. The social security wage base limit remains $118,500, unchanged from 2015. The Medicare tax rate remains 1.45% each for the employee and employer, unchanged from 2015. There is no wage base limit for Medicare tax. Social security and Medicare taxes apply to the wages of household workers you pay $2,000 or more in cash or an equivalent form of compensation. Social security and Medicare taxes apply to election workers who are paid $1,700 or more in cash or an equivalent form of compensation.

Withholding allowance. The 2016 amount for one withholding allowance on an annual basis is $4,050.

New filing due date for 2016 Forms W-2, W-3, and 1099-MISC. Both paper and electronically filed 2016 Forms W-2 and W-3 must be filed with the Social Security Administration (SSA) by January 31, 2017. Both paper and electronically filed 2016 Form 1099-MISC must be filed with the IRS by January 31, 2017.

Work opportunity tax credit for qualified tax-exempt organizations hiring qualified veterans extended. The work opportunity tax credit is now available for eligible unemployed veterans who begin work after December 31, 2014, and before January 1, 2020. Qualified tax-exempt organizations that hire eligible unemployed veterans can claim the work opportunity tax credit against their payroll tax liability using Form 5884-C. For more information, visit IRS.gov and enter "work opportunity tax credit" in the search box.

Same-sex marriage. For federal tax purposes, marriages of couples of the same sex are treated the same as marriages of couples of the opposite sex. The term "spouse" includes an individual married to a person of the same sex. However, individuals who have entered into a registered domestic partnership, civil union, or other similar relationship that isn't considered a marriage under state law aren't considered married for federal tax purposes. For more information, see Revenue Ruling 2013-17, 2013-38 I.R.B. 201, available at *www.irs.gov/irb/2013-38_IRB/ar07.html* .

Notice 2013-61 provides special administrative procedures for employers to make claims for refunds or adjustments of overpayments of social security and Medicare taxes with respect to certain same-sex spouse benefits before expiration of the period of limitations. Notice 2013-61, 2013-44 I.R.B. 432, is available at *www.irs.gov/irb/2013-44_IRB/ar10.html*. An employer may correct errors to federal income tax withholding and

Additional Medicare Tax withheld for prior years if the amount reported on the employment tax return doesn't agree with the amount actually withheld. This type of error is an administrative error. An employer may also correct errors to federal income tax withholding and Additional Medicare Tax withheld for prior years if section 3509 rates apply.

Additional Medicare Tax withholding. In addition to withholding Medicare tax at 1.45%, an employer must withhold a 0.9% Additional Medicare Tax from wages paid to an employee in excess of $200,000 in a calendar year. An employer is required to begin withholding Additional Medicare Tax in the pay period in which an employer pays wages in excess of $200,000 to an employee and continue to withhold it each pay period until the end of the calendar year. Additional Medicare Tax is only imposed on the employee. There is no employer share of Additional Medicare Tax. All wages that are subject to Medicare tax are subject to Additional Medicare Tax withholding if paid in excess of the $200,000 withholding threshold.

Outsourcing payroll duties. An employer is responsible to ensure that tax returns are filed and deposits and payments are made, even if you contract with a third party to perform these acts. An employer remains responsible if the third party fails to perform any required action.

Severance payments are subject to social security and Medicare taxes, income tax withholding, and FUTA tax. Severance payments are wages subject to social security and Medicare taxes.

For a copy of the 2016 Publication 15 please click on the link provided below:

http://www.irs.gov/pub/irs-pdf/p15.pdf

CALIFORNIA RELEASES MORE INFORMATION ON PIECE-RATE LEGISLATION

Effective January 1, 2016, AB 1513 requires that California piece-rate employees must be compensated for rest and recovery periods and “other nonproductive time” separate from any piece-rate compensation. Other nonproductive time “means time under the employer’s control, exclusive of rest and recovery periods that is not directly related to the activity being compensated on a piece-rate basis.”

By way of background, AB 1513 requires that an employer when paying employees who are compensated on a piece-rate basis include separately the following information on wage statements in addition to those outlined above.

1. The total hours of compensable rest and recovery periods.
2. The rate of compensation for rest and recovery period.
3. The gross wages paid for rest and recovery periods during the pay period.
4. The total hours of other nonproductive time.
5. The rate of compensation for other nonproductive time.
6. The gross wages paid for other nonproductive time during the pay period.

In addition to the new wage statement requirements for piece-rate workers, AB 1513 provides other requirements for employers. Please find a brief summary of these below.

- Employees must be compensated for rest and recovery periods at a hourly rate that is no less than the higher of (1) an average hourly rate determined by dividing

the total compensation for the workweek, exclusive of compensation for rest and recovery periods and any premium compensation for overtime, by the total hours worked during the workweek, exclusive of rest and recovery periods OR the applicable minimum wage.
- Employees must be compensated for other nonproductive time at an hourly rate that is no less than the applicable minimum wage.

The applicable minimum wage is defined as the highest of federal, state or local rate that is applicable to the employee.

AB 1513 also provides an opportunity for employers who have not paid piece-rate employees for rest and recovery periods and other nonproductive time as outlined under AB 1513 to cure such deficiencies. Specifically, until January 1, 2021, employers are provided with an "affirmative defense to any claim or cause of action for recovery of wages, damages, liquidated damages, statutory penalties, or civil penalties based solely on the employer's failure to timely pay the employee the compensation due for rest and recovery periods and other nonproductive time for time periods prior to and including December 31, 2015, if, by no later than December 15, 2016, the employer complies with specified requirements, subject to specified exceptions."

One of the specified requirements is that the employer must make payments to each of its employees for previously uncompensated or undercompensated rest and recovery periods and other nonproductive time for the period of July 1, 2012, to December 31, 2015.

Although the requirements of AB 1513 take effect on January 1, 2016, as noted above, certain employers are being provided until April 30, 2016 to comply with the requirements of AB 1513. However, the exception to the January 1, 2016 effective date is narrow and will not apply to most employers.

In order to qualify for the exceptions all of the following requirements must be met:

- The employer was acquired by another legal entity on or after July 1, 2015, and before October 1, 2015.
- The employer employed at least 4,700 employees in this state at the time of the acquisition.
- The employer employed at least 17,700 employees nationwide at the time of the acquisition.
- The employer was a publicly traded company on a national securities exchange at the time of the acquisition.

California has now released a Fact Sheet and Frequently Ask Questions regarding AB 1513 has now coded under California Labor Code 226.2. For a copy of these documents, please click on the link provided below:

Fact Sheet:

http://www.dir.ca.gov/pieceratebackpayelection/AB_1513_FACT_SHEET.htm

Frequently Asked Questions:

http://www.dir.ca.gov/pieceratebackpayelection/AB_1513_FAQs.htm

MASSACHUSETTS ANNOUNCES 2016 TRANSIT/PARKING LIMITS

The Commonwealth of Massachusetts has announced via Technical Information Release 15-16 (TIR 15-16) that for the tax year of 2016, the state monthly tax excluded amounts are $255 for parking and $130 for combined transit pass and commuter highway vehicle transportation benefits.
The federal tax excluded amounts for 2016 are $255 for parking and $255 for transit/commuter benefits per month.

In part, TIR 15-16 stated as follows:

> In general, for purposes of determining Massachusetts gross income, the Massachusetts personal income tax laws follow the provisions of the Internal Revenue Code ("IRC") as amended and in effect on January 1, 2005. Accordingly, Massachusetts follows IRC § 132(f) as amended and in effect on January 1, 2005, which excludes from an employee's gross income (subject to a monthly maximum) employer-provided parking, transit pass and commuter highway vehicle transportation benefits. IRC § 132(f)(6) provides for an inflation adjustment to those monthly maximums in the case of any taxable year beginning in a calendar year after 1999. Taking into account these inflation adjustments, the Massachusetts monthly exclusion amounts for taxable years beginning in 2016 are $255 for employer-provided parking and $130 for combined transit pass and commuter highway vehicle transportation benefits. The Massachusetts exclusion amounts do not include the increase in the federal exclusion amount for the combined transit pass and commuter highway vehicle transportation benefits that was signed into law on December 18, 2015. Massachusetts will not follow this amendment, or any future amendments, to IRC §132(f) unless the Massachusetts Legislature acts to adopt such changes.

For a copy of TIR 15-16, please click on the link provided below:

http://www.mass.gov/dor/businesses/help-and-resources/legal-library/tirs/tirs-by-years/2015-releases/tir-15-16.html

WISCONSIN RELEASES GUIDANCE ON STATE TAXATION OF COMMUTER BENEFITS

The Wisconsin Department of Revenue has now issued a personal income tax notice discussing the exclusion from employee wages for the value of certain transportation fringe benefits provided by an employer to an employee for 2015 and 2016 in relation to federal and state income tax purposes. In addition, Wisconsin has provided Form W-2 reporting guidance.

Limits for 2015

For Wisconsin purposes, the amount that may be excluded from employee wages for 2015 is limited as follows:

- $250 per month for qualified parking;
- $130 per month for commuter highway vehicle transportation and transit passes (compared to $250 per month for federal purposes); and
- $20 per qualified bicycle commuting month.

Limits for 2016

Under current Wisconsin law, the amount that may be excluded from wages for 2016 is limited as follows:

- $255 per month for qualified parking;
- $130 per month for commuter highway vehicle transportation and transit passes (compared to $255 for federal purposes); and
- $20 per qualified bicycle commuting month.

Instructions for W-2

To report the difference between the federal and Wisconsin treatment of commuter highway vehicle transportation and transit passes on Form W-2, employers must either (1) include the amount that is taxable for Wisconsin purposes, but not taxable for federal purposes, in Box 16 of the Form W-2 or (2) provide the employee with a supplemental Wisconsin-only Form W-2 with the taxable benefits in Box 16.

For a copy the notice please click on the link provided below:

https://www.revenue.wi.gov/taxpro/news/2016/160113.html

MINIMUM WAGE ORDINANCE ENACTED IN BANGOR, MAINE

The City Council of Bangor, Maine, adopted a minimum wage ordinance which becomes effective January 1, 2017 as follows:

- January 1, 2017 $8.25 per hour
- January 1, 2018 $9.00 per hour
- January 1, 2019 $9.75 per hour

Effective January 1, 2020, and every first day of each January thereafter, the minimum wage for all employees, shall increase at the percentage set by the Consumer Price Index for All Urban Consumers (CPI-U) of the previous most up-to-date 12 months as reported by the Bureau of Labor Statistics.

The minimum wage ordinance applies to all employees who work within the municipal city limits of Bangor regardless of the employee's age or whether he or she is a tipped worker. Specifically, the wages will be applied to any person who performs work for an employer for monetary compensation on a full-time, part-time, seasonal or temporary basis within the Bangor city limits. Additionally, a tip credit provision of the ordinance varies from state law by giving the employer a credit of 50% of the Bangor minimum wage instead of 50% of the state minimum wage.

For a copy of the Bangor, Maine Minimum Wage Ordinance, please click on the link provided below:

http://www.bangormaine.gov/minwage

PUERTO RICO EXPANDS PAID SICK LEAVE

Puerto Rico Governor Alejandro García Padilla has signed Law No. 251, a measure that provides caregiver leave under the Puerto Rico Minimum Wage, Vacation, and Sick Leave Act, Act No. 180 of July 27, 1998 (Act). The expansion of the Act is in effect immediately. It is important to note that the expanded use of sick leave does not apply to businesses with fewer than 15 employees.

Under the Act, qualifying non-exempt employees are entitled to accrue paid sick leave of one day per month, up to 12 days per year, for each month in which they work at least 115 hours. Employees who meet this threshold can accrue 12 days of sick leave a year and may rollover unused sick leave, subject to a 15-day cap.

Under the amendment to the Act, non-exempt employees may use paid sick leave to care for family members and others. Qualifying employees can use up to five days of accrued sick leave for:

- the care and attention for reason of illness of the employee's children, spouse, mother, or father; or
- the care and attention for reason of illness of minors, persons of advanced age (defined as a person at least 60 years old), or disabled persons of which the employee has custody or is the legal guardian.

Previously, employees were only allowed to utilize paid sick leave for their own illnesses that would prevent them from reporting to work.

To be eligible to take caregiver's leave, employees must both a) have more than five accrued paid sick days and b) be able to retain a minimum of five accrued sick days after they take the leave to care for and attend to the illness of the qualified family members. If an employee does not have more than five accrued sick days, the employee is not eligible to take caregiver's leave.

In addition, Law No. 251 expands existing documentation requirements of the Act by establishing that employers can require medical certificates if absences under the two circumstances mentioned above exceed two working days.

This new expansion of paid leave is in addition to, and runs concurrently with, leave taken under the federal Family and Medical Leave Act.

OREGON RELEASES ADDITIONAL PAID SICK LEAVE GUIDANCE

The Oregon Bureau of Labor and Industries (BOLI) has published administrative rules to provide further guidance on the Oregon Sick Leave Law that was effective as of January 1, 2016.

Background:

On June 22, 2014, Oregon Governor Kate Brown signed into law Senate Bill 454 (SB 454) which requires all employers to provide sick leave benefits to its employees. SB 454 (now codified under Oregon Chapter 537 Sections 2-16) was effective beginning January 1, 2016. It is important to note that employers that have a sick leave, paid vacation, or paid personal time off policy or other paid time off program substantially equivalent to or more generous than the minimum requirements of the measure's sick time mandate would be deemed compliant with SB 454.

Some of the highlights of the Oregon sick leave legislation are as follows:

Covered Employers: Employers with at least 10 employees (or 6 employees if the employer has a location in a city with a population of at least 500,000) must provide up to 40 hours per year of paid sick and safe time. Employers with 9 or less employees (or 5 or less if the employer has a location in a city with a population of at least 500,000) are required to provide unpaid sick and safe time for the same reasons.

Employee Eligibility: All employees of Covered Employees are eligible to take leave beginning on the 91st day of employment. Accrual of sick time begins at the start of employment.

Excluded Employees: Excluded from coverage under SB 454 are 1) employees who receive paid sick time under federal law; 2) participants of certain government work training programs; 3) railroad workers exempted under federal Railroad Unemployment Insurance Act; and 4) individuals employed by their parent, spouse or child. Employees covered by a collective bargaining agreement are also not subject to the requirements of SB 454.

Reasons to Use Sick Days:

- The employee's own mental or physical illness, injury, or health condition, need for medical diagnosis, care or treatment of a mental or physical illness, injury, or health condition, or need for preventive medical care.

- To care for a family member with a mental or physical illness, injury, or health condition, care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition, or care of a family member who needs preventive medical care.

- To care for an infant or newly adopted child under 18 years of age, or for a newly placed foster child under 18 years of age, or for an adopted or foster child older than 18 years of age if the child is incapable of self-care because of a mental or physical disability, as well as to deal with or grieve the death of a family member.

- To seek legal or law enforcement assistance or remedies to ensure the employee's own health and safety or that of the employee's minor child or dependent, including preparing for and participating in protective order proceedings or other proceedings related to domestic violence, harassment, sexual assault or stalking. It also includes, among other things, seeking medical treatment or counseling for or to recover from injuries caused by domestic violence or sexual assault to or harassment or stalking of the employee or the employee's minor child or dependent.

Covered Relationships: An employee can use the sick leave for certain health needs of the employee or the employee's "family member." A family member is defined as:

- Spouse, including same sex, domestic partner and civil union partner
- biological, adoptive or foster parent
- biological, adoptive or foster child
- grandparent
- grandchild
- parent-in-law
- a person with whom the employee was or is in a relationship of in loco parentis.

Employee Notice: An employer may require the employee to comply with the employer's usual and customary notice requirements. Additionally, if the need for leave is foreseeable, the employee must provide reasonable advance notice to the employer, not to exceed 10 days. If the need for leave is unforeseeable, the employee must provide notice as soon as practicable.

Employer Notification: Employers are required to provide written notice at least quarterly to each employee the amount of accrued and unused sick time available. Oregon law requires the inclusion of this information on the itemized wage statement provided to employees.

Sick Time Accrual: An employee accrues one hour of sick time for every 30 hours worked, and may use up to 40 hours or 5 days per year. Accrual of sick time begins at the start of employment. An employer may limit accrual to 80 hours per year. An employer must allow accrued time to carry over to subsequent years, subject to a 40hour limitation. Employers may also front-load the time, i.e. make all sick time available for use upon eligibility.

Form of Leave: The leave may be continuous, intermittent, or reduced schedule as necessitated by the reason for leave and the circumstances. Sick time may be taken in hourly increments, with certain exceptions.

Job Protection and Benefits: Employers are prohibited from discriminating or retaliating against an employee in any manner for requesting, inquiring about, or taking sick time, or participating in an investigation relating to leave provided by SB 454. Employers must maintain all benefits during leave, including health care.

Coordination with the FMLA and other state laws: The new law does not specify whether it runs concurrently with the federal FMLA or the Oregon Family Leave Act (OFLA).

Employers who offer PTO: An employer with a sick leave policy, paid vacation policy, paid personal time policy or other paid time off program that is substantially equivalent or more generous is deemed to be in compliance with SB 454.

Certification/Documentation: If an employee takes more than 3 consecutive scheduled workdays of sick leave for reasons pertaining to the employee or family member's health, the employer may require employee to provide verification from a health care provider.

Recordkeeping: SB 454 does not contain any explicit record keeping requirements other than the required quarterly notifications of use and accrual to be provided to the employee.

Some of the highlights of the administrative rules are as follows:

Definition of Family Members Expanded

The administrative rules provide a definition of spouse, and expand the definitions of child and parent. As a result, the statute and regulations define "family member" broadly as an employee's spouse, same-gender domestic partner, custodial parent, non-custodial parent, adoptive parent, foster parent, biological parent, step-parent, parent-in-law, a parent of an employee's same-gender domestic partner, an employee's grandparent or grandchild, or a person with whom the employee is or was in a relationship of in loco parentis. "Family member" also includes the biological, adopted, foster child or stepchild of an employee or the child of an employee's same-gender domestic partner. An employee's child in any of these categories may be either a minor or an adult at the time qualifying leave pursuant to these rules is taken.

Regular Rate of Pay Further Defined

Employees must be compensated during sick leave at their "regular rate of pay." For employees with multiple hourly rates and those paid on commission, the regulations lend some clarity. For employees who are paid multiple hourly rates of pay, the regular rate of pay means either:

- The wages the employee would have been paid, if known, for the period of time in which sick time is used; or
- The weighted average of all regular rates of pay during the previous pay period.

Commissioned employees should be compensated for sick leave at the rate of pay agreed upon by the employer and the employee. In the absence of a previously established regular rate of pay, sick time shall be compensated at a rate of no less than the applicable statutory minimum wage.

Exclusions from regular rate of pay. The regular rate of pay does not include:

- Overtime, holiday pay, or other premium rates. However, where an employee's regular rate of pay includes a differential meant to compensate the employee for

work performed under differing conditions (for example, a shift differential for working at night), such a differential rate is not considered to be a premium;
- Bonuses or other types of incentive pay; and
- Tips.

Consequences for Failure to Provide Notice

The statute allows employers to require advance notice (not to exceed 10 days), using the employer's usual and customary notice and procedural requirements, for a foreseeable absence, and notice at the start of the shift or (if circumstances prevent such notice) as soon as practicable, for an unforeseeable absence.

An employer may discipline an employee for violating workplace policies and procedures if the employee fails to provide notice as required by these rules or if the employee fails to make a reasonable effort to schedule leave in a manner that does not unduly disrupt the operations of the employer. The employer, however, may not discipline the employee for the use of sick time. Whether the notice was provided "as soon as practicable" depends on all the individual facts and circumstances of the situation. An employer may not, however, deny sick time based on failure to provide notice, unless the employee has been provided a copy of a written policy regarding notice.

Consequences for Failure to Provide Verification

The statute allows employers to require verification with a variety of required return dates depending on the purpose. Under the rules, employers are not required to pay sick time until the employee has provided such documentation or verification. Additionally, the employer may discipline the employee for violating policy and procedures but not for using sick time. However, if an employer chooses to require written documentation or verification of the use of sick time, the employer must include such a requirement as well as the consequences for delay or failure to comply, in its written sick time policies. Employers should note that an employer must pay any reasonable cost for the certification, including lost wages, that are not covered by a health benefit plan.

If the need for sick time is foreseeable and projected to last more than three days, an employer may require verification or certification before the sick time commences or as soon as otherwise practicable.

If prior notice is not provided the employer can require verification within the following rules:

Medical certification (for an employee's or family member's illness, injury, or health condition or preventative care). An employer may require an employee to provide a medical certification within 15 calendar days of when the employer requests certification if an employee uses sick leave for more than three consecutive scheduled workdays or less than three if the employee is suspected of abusing the benefit.

Certification for absence relating to domestic violence, harassment, sexual assault, or stalking. An employee must provide certification within a reasonable time after receiving the covered employer's request for the certification if an employee uses sick leave for more than three consecutive scheduled workdays.

Conversion from Accrual to Frontloading

The statute and rules allow an employer to frontload 40 hours of sick leave at the beginning of each year. This eliminates the need to track accrual (although use must still be tracked to meet the quarterly reporting requirement). If an employer converts from

accruing sick leave on an hours-worked system to a frontloading system, and the employee has accrued less than 40 hours of sick leave as of the date of the change (or less than 56 hours, if the employer requires sick time to be taken in minimum increments of more than one hour under the undue hardship exception), the employer must frontload the sum of: (a) the amount of hours the employee has accrued under the employee's accrual system; and (b) the difference between 40 hours (or 56 hours) and that amount of accrued hours. In other words, during the transition from accrual based on hours worked to frontloading, an employer must frontload at least 40 hours (or 56 hours).

If an employee has accrued more than 40 hours of sick leave as of the date that an employer converts from an accrual-based system to a frontloading system, the employer may not frontload an amount of hours that is less than the amount of hours the employee has already accrued.

Exemption for Certain Employees Covered by Collective Bargaining Agreements

The rules require most union employees to accrue sick leave at the statutory rate regardless of the terms of their collective bargaining agreement. The exception to this applies to employees who meet all of the following requirements:

1. Employees whose terms and conditions of employment are covered by a collective bargaining agreement; and
2. Who are employed through a hiring hall or similar referral system operated by the labor organization or third party; and
3. Whose employment-related benefits are provided by a joint multi-employer-employee trust or benefit plan.

The regulations state that the existence of a collective bargaining agreement alone is not sufficient to meet the requirements of this limited exemption.

Application of Sick Time Provisions to New Businesses

The rules explain how a new business will determine the number of employees for purposes of determining whether sick leave will be paid or unpaid.

An employer that has been in business for less than 20 weeks must calculate the number of employees employed after it has employed one or more employees for 90 calendar days. If it meets the "threshold" requirement, i.e., it employs 10 or more employees in Oregon or at least six employees in Oregon if operating in Portland, it must pay for sick time accrued and used by an employee unless it has a good-faith belief it will not meet the "average" requirement, in which case the employer is not required to pay for sick time accrued and used.

After 20 workweeks of operation, the employer must calculate the number of employees employed. If it meets the "threshold" requirement, employees must be paid for sick leave accrued and taken thereafter unless the employer ceases to meet the "average" requirement in any year preceding the use of accrued sick leave by any employee. However, if the employer meets the "threshold" and "average" requirements, it must pay any employee not paid for sick time accrued and taken during those 20 workweeks.

Sick Leave and PTO Policies that are Substantially Equivalent

Perhaps the most misunderstood provision of the statute is Section 4, which states an employer's sick leave policy that is "substantially equivalent" or more generous to the employee than the minimum requirements of the statute is deemed to be in compliance. Many employers were hoping that this provision would allow them to avoid

the quarterly tracking and reporting requirement, but the rules make it clear that is not the case. The rules clarify that a substantially equivalent policy must provide for at least the same number of sick time hours an employee would earn under the statute, and comply with all other minimum requirements listed in the statute. "These requirements include but are not limited to provisions related to when employees can use sick time; the rate of accrual; the regular rate of pay; qualifying absences; conditions of notice and documentation; and employment protections."

Employer Notice to Employees

Employers must provide written notice of the new law to all of their employees no later than the end of the first pay period after January 1, 2016, or, for employees hired after January 1, the end of the first pay period for those employees.

For a copy of the Oregon paid sick leave statute and administrative rules, please click on the links provided below:

Administrative Rules:

http://www.oregon.gov/boli/TA/docs/2015%20Sick%20Time%20Rules.pdf

Statute:

http://www.oregon.gov/boli/TA/docs/2015%20Oregon%20Sick%20Time%20Statute.pdf

NEW BRUNSWICK, NJ ENACTS PAID SICK/SAFE TIME ORDINANCE

The City Council of New Brunswick, New Jersey, approved an ordinance that provides paid sick and paid safe time—including for reasons due to domestic violence, sexual assault or stalking—for employees of most New Brunswick-based businesses that have the equivalent of at least five full-time employees (FTEs). Employees working for businesses that employ five to nine employees will be able to earn up to 24 hours of paid sick/safe time annually. Full-time employees of businesses with 10 or more employees and at least five FTEs will be able to earn up to 40 hours of paid sick and/safe time annually, while part-time employees of those businesses are capped at 24 hours of paid/sick time annually.

Most New Brunswick-based businesses, including "Temporary Health Services Firms," are covered under the ordinance. Businesses with less than the equivalent of five full-time employees, however, are exempted due to their small size.

The ordinance, O-121501, cleared the city council on December 16 was subsequently signed into law by Mayor James Cahill.

The purpose of the ordinance is to permit employees paid time off from their job to take care of their health as well as the health of their families. Such time off also helps to diminish public and private health care costs, promotes preventative healthcare, and protects the public's health by reducing opportunities for contagion.

New Brunswick says that it is the eleventh municipality in New Jersey to adopt an ordinance addressing paid sick time, but is the first town in the state to include provisions for employees dealing with domestic violence, sexual assault, or stalking.

Time and accrual. The ordinance provides sick/safe time under this structure at the accrual rate of one hour for every 35 hours worked, provided the business employees at least five FTEs:

- Employees working at eligible businesses qualify for paid sick/safe time if they average at least 20 hours of work per week.
- Part-time workers who average between 20 and 35 hours per week can earn up to 24 hours of paid sick/safe time.
- Full-time workers who average 35 hours per week or more at businesses with five to nine employees can earn up to 24 hours of paid sick/safe time.
- Full-time workers who average 35 hours per week or more at businesses with at least 10 employees can earn up to 40 hours of paid sick/safe time.

Stakeholder input. The city noted that it has been working on the issue of paid sick/safe time for nearly a year, working with worker and business advocacy groups, large and small city employers, and employees to address as many concerns as possible.

“The ordinance attempts to address two areas of critical importance: the health and wellness of our City’s employees, their co-workers, and consumers, and the success and vitality of our local businesses and employers,” Mayor Cahill said. “We appreciate all the input we received in crafting this ordinance which best addresses the interests of employees and businesses in and the taxpayers of the City of New Brunswick.”

Effective date. The ordinance is effective 20 days after final adoption. However, employees covered by a collective bargaining agreement in effect on the ordinance’s effective date will not be covered until the date of the agreement’s termination, unless the CBA expressly waives the protections given in the ordinance.

PITTSBURGH, PA PAID SICK LEAVE LAW STRUCK DOWN

It was previously reported that the City of Pittsburgh, Pennsylvania had enacted the Paid Sick Days Act (Act). The Act was signed by Mayor William Peduto on August 13, 2015 and originally was to become effective on January 11, 2016. However, the effective date of the Act has been delayed and is currently scheduled to be March 10, 2016. This delay is the result of a court challenge to the Act by the Pennsylvania Restaurant & Lodging Association and several Pittsburgh restaurants based on the argument that the state home rule charter law prevented the city from determining "duties, responsibilities or requirements placed upon businesses, occupations and employers." That is, it is asserted that the city lacked authority to enact the ordinance, which the plaintiffs claim can be enacted only on a statewide basis.

On December 21, 2015, Allegheny County Common Pleas Court Judge Joseph James struck down the City's Paid Sick Leave Ordinance. Judge James in his opinion stated as follows: "The home rule charter and optional plans law limits the power of the city to those expressly provided statutes enabled by the Legislature," wrote James. "Absent that statutory authority, the city cannot enact this type of ordinance. For these reasons, the plaintiffs'' motion for judgement on the pleading is granted."

It is important to note that the Court's decision may not be the last word. The Pittsburgh mayor's office has announced that it intends to explore its "legal options," which could include an appeal of the Court's decision, or further lobbying efforts in Harrisburg, the state capitol. Further information will be forthcoming as it becomes available.

In response to the Court's decision, Pittsburgh Mayor William Peduto released the following statement:

"The recent court decisions regarding paid sick leave and security worker training are a step backward for Pittsburgh. The United States is the only industrialized country in the world that doesn't guarantee its workers paid sick leave. Cities and states are working to resolve this void left by Washington, D.C. special interests.

Likewise, cities around the world understand the importance of coordinated public safety training between local law enforcement officers and security guards of large buildings, institutions and schools. Instead of addressing these issues proactively, these court decisions have set the City of Pittsburgh behind our peers.

It is important to realize that our city was built on the shoulders and backs of those who worked the mills. Through their sacrifices, they did more than build this country, they built the middle class. We must never forget this. We owe it to them that today's workers will continue to move forward and that our city will play a critical role in building that bridge between our historic past and our promising future - for everyone."

For a copy of the Court's decision, please click on the link provided below:

http://www.employmentlawwatch.com/wp-content/uploads/sites/524/2015/12/2015Judge-James_-Opinion-Pa-Restaurant-Lodging-v.-Pittsburgh.pdf

SPOKANE CITY, WA COUNCIL APPROVES PAID SICK LEAVE

On January 11, 2016, the Spokane, Washington City Council voted to approve a new city ordinance that guarantee that all workers in the city have the opportunity to earn at least three to five paid sick leave days per year. Although Mayor David Condon has said he plans to veto the ordinance, only five votes are needed to override him and enact the policy.

Under the ordinance, all workers — except construction and some seasonal/temporary workers — will earn at least one hour of sick and safe leave for every 30 hours they work until they reach 24 hours, or three 8-hour days per year. For businesses with 10 or more employees, the minimum would be 40 hours or five days per year.

The ordinance allows paid sick time would be used for:

1. Diagnosis, care, or treatment of the employee's mental or physical illness, injury, or health condition;

2. The diagnosis, care, or treatment for the employee's family member's mental or physical illness, injury, or health condition;

3. Any reason identified in RCW 49.76.030 or to seek protection or safety from events or conduct specified in SMC 10.09.010(B);

4. Any period in which the Employer's business or the employee's child's school or place of care is closed by order of a public official to limit exposure to an infectious agent, biological toxin, or hazardous material; or

5. Bereavement leaves in connection with a family member of the employee.

The ordinance becomes effective on January 1, 2017; provided, however, that businesses which receive their first business registration in the City of Spokane after the enactment of this chapter but before the effective date will not be subject to the ordinance for a period of one (1) year after the date of their first business registration in the City of Spokane.

For additional information, please see the City of Spokane Earned Safe and Sick Leave website on the following link:

https://my.spokanecity.org/citycouncil/items-of-interest/sick-leave/