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Eye on Washington
State and Local Update

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

Topics covered in this issue:

Leave

California Expands Paid Family Leave

On June 27, 2019, Governor Gavin Newsom signed California Senate Bill 83 (SB 83) into law. SB 83 provides that beginning July 1, 2020, the maximum duration of paid family leave will be extended from the current six weeks to eight weeks for the following events:

- To care for a seriously ill child, spouse, parent, grandparent, grandchild, sibling, or domestic partner; or
- To bond with a minor child within one year of the birth or placement of the child via foster care or adoption.

SB 83 also states that the goal is to eventually increase the paid family leave period to a 12-week maximum in the years 2021-2022.

For a copy of SB 83, click on the link provided below.

http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB83

Connecticut Enacts Paid Family Leave Bill

On June 25, 2019, Connecticut Governor Ned Lamont signed into law Senate Bill Number 1 which establishes a "Paid Family and Medical Leave Insurance" program in the state. Connecticut is the seventh state to establish such a program joining California, Massachusetts, New Jersey, New York, Rhode Island, and Washington. The District of Columbia has also established a paid family leave program.

Some of the highlights of the Connecticut program are as follows:

- Connecticut workers at firms of one or more employee will be eligible for paid time off to care for a newborn, a newly adopted or foster child, a seriously ill relative by blood or marriage or a close associate who is the equivalent of a family member. Employees dealing with their own serious health conditions or who are serving as a marrow or organ donor will also be eligible.

- "Family member" means a spouse, sibling, son or daughter, grandparent, grandchild or parent, or an individual related to the employee by blood or affinity whose close association the employee shows to be the equivalent of those family relationships.
- "Covered employee" means an individual who has earned not less than two thousand three hundred twenty-five dollars in subject earnings during the employee's highest earning quarter within the base period and (A) is presently employed by an employer, (B) has been employed by an employer in the previous twelve weeks, or (C) is a self-employed individual or sole proprietor and Connecticut resident who has enrolled in the program.
- "Employer" means a person engaged in any activity, enterprise or business who employs one or more employees, and includes any person who acts, directly or indirectly, in the interest of an employer to any of the employees of such employer and any successor in interest of an employer.
- Leave may be taken for one or more of the following reasons:
    - Upon the birth of a son or daughter of the employee;
    - Upon the placement of a son or daughter with the employee for adoption or foster care;
    - In order to care for a family member of the employee, if such family member has a serious health condition;
    - Because of a serious health condition of the employee;
    - In order to serve as an organ or bone marrow donor; or
    - Because of any qualifying exigency.
- Leave for the birth or placement of a son or daughter may not be taken by an employee intermittently or on a reduced leave schedule unless the employee and the employer agree otherwise.
- Connecticut workers will be entitled to up to 12 weeks of paid leave. The law allows employees who experience a serious pregnancy-related health complication to receive up to two additional weeks of paid time off.
- Connecticut's plan is paid for by a 0.5 percent payroll tax levied on all employees. The percent payroll tax will begin to be deducted from employees' paychecks on January 1, 2021.
- Employees can begin collecting benefits beginning January 1, 2022.
- The maximum weekly benefit cannot exceed 60 times the minimum wage, which is expected to rise to $15 an hour over the next four years. The maximum paid family and medical leave benefit will rise accordingly, from $780 a week in 2022 to $900 a week in 2023.
- Unionized public employees are exempt, although their unions can negotiate to participate in the program. Self-employed employees and sole proprietors will also have the ability to opt-in.

For a copy of Senate Bill Number One (Public Act No. 19-25), click on the link provided below.

https://www.cga.ct.gov/2019/ACT/pa/pdf/2019PA-00025-R00SB-00001-PA.pdf

Maine Amends Voluntary Emergency Responder Leave Law

Effective September 19, 2019, Maine law is amended by HP 954, expanding protections afforded to volunteer emergency responders and extending the same protections to emergency medical services persons. Previously, the law only protected firefighters from disciplinary action by an employer when the firefighter was absent from work at the beginning of a shift because he or she was responding to an emergency. The amendment now protects firefighters who leave work during his or her working hours to respond to an emergency, and provides the same protections to an emergency medical services person. Highlights of HP 954 are as follows:

- "Responding to an emergency" means responding to, working at the scene of or returning from a fire or emergency medical services call, a hazardous or toxic materials spill and cleanup or any other situation to which the fire department or emergency medical services provider has been dispatched.
- An employer may not discharge or take any other disciplinary action against or otherwise discriminate against an employee because of the employee's failure to report for work at the beginning of the employee's regular working hours or the employee's

absence during the employee's regular working hours if the employee failed to do so or was absent because the employee was responding to an emergency in the employee's capacity as a firefighter or emergency medical services person and the employee reported for work as soon as reasonably possible after being released from the emergency.

- An employer may charge the lost time against the employee's regular pay or against the employee's available leave time. This does not apply to the absence of a firefighter or emergency medical services person from that person's regular employment as a law enforcement officer, utility worker or medical personnel, when the services of that person are essential to protect public health or safety.
- An employee responding to an emergency shall make every effort to immediately notify the employer that the employee may be late arriving to work or absent from work as a result of responding to an emergency prior to or during the employee's regular working hours.
- Notification may be provided by the employee, the employee's designee, the fire department or the emergency medical services provider.
- At the request of an employer, an employee losing work time shall provide the employer with a statement from the chief of the fire department, emergency medical services provider or the chief's designee verifying that the employee was responding to an emergency and specifying the date, time and duration of the response.

For a copy of H.P. 954, click on the link provided below.

https://legislature.maine.gov/legis/bills/getPDF.asp?paper=HP0954&item=3&snum=129

Maine Enacts Leave for Veterans to Attend Certain Medical Appointments

On June 17, 2019, Governor Janet Mills signed into law HP 1190 requiring employers to provide time off to an employee who is a veteran to attend a scheduled appointment at a medical facility operated by the United States Department of Veterans Affairs, as long as the veteran gives notice to the employer as soon as reasonably possible. If the employee has paid leave available, the employee may use paid leave, otherwise the leave may be unpaid.

HP 1190, effective September 19, 2019, is summarized in the legislation as follows:

> This bill requires an employer who provides paid leave and has 10 or more employees to allow a veteran to take paid leave to attend a scheduled appointment at a medical facility operated by the United States Department of Veterans Affairs. An employer who does not provide paid leave and has 10 or more employees must grant unpaid leave to a veteran to attend a scheduled appointment at a medical facility operated by the United States Department of Veterans Affairs. An employer who provides paid leave and has fewer than 10 employees must allow a veteran to take paid leave to attend a scheduled appointment at a medical facility operated by the United States Department of Veterans Affairs when the veteran provides the employer at least 2 weeks' notice of such an appointment unless the United States Department of Veterans Affairs provides the veteran less than 2 weeks' notice of an appointment, in which case the veteran shall provide the employer notice of the appointment as soon as reasonably possible. An employer who does not provide paid leave and has fewer than 10 employees must grant unpaid leave to a veteran to attend a scheduled appointment at a medical facility operated by the United States Department of Veterans Affairs when the veteran provides the employer at least 2 weeks' notice of such an appointment unless the United States Department of Veterans Affairs provides the veteran less than 2 weeks' notice of an appointment, in which case the veteran shall provide the employer notice of the appointment as soon as reasonably possible.

For a copy of HP 1190, copy and paste the following into your browser.

http://www.mainelegislature.org/legis/bills/getPDF.asp?paper=HP1190&item=1&snum=129

Massachusetts Releases Final PFML Regulations and New Notice Forms

On June 13, 2019, Governor Baker of Massachusetts signed S. 2255, officially delaying the start of employer contributions to the new Massachusetts Paid Family and Medical Leave (PFML) program until **October, 1, 2019** (a three-month extension from the prior deadline of July 1, 2019). In addition, to account for the shorter contribution collection time frame, the contribution rate was increased from 0.63 percent to 0.75 percent.

Final Regulations

Subsequently, on June 18, 2019, the Massachusetts Department of Family and Medical Leave (DFML) released the final PFML regulations. The final regulations do not contain many substantial changes from the March 29, 2019, proposed regulations. Some changes worth noting are as follows:

- The final regulations adopt the October 1, 2019, contribution start date and the initial 0.75 percent contribution rate.
- Employers may deduct different percentages from the wages of different groups of covered workers, provided that the deductions do not exceed the maximum percentages set by the PFML Law. For example, employers may deduct a greater percentage of the family leave or medical leave contribution from exempt employees than deducted from nonexempt employees. Likewise, employers may deduct a greater percentage from its nonunionized workers than from its unionized workers (depending on its collective bargaining with the union).
- The final regulations permit employers to require intermittent leave to be taken in increments not smaller than a designated minimum time period, provided that the minimum period does not exceed four consecutive hours. Employers should be sure to include this requirement in their paid family and medical leave policies.
- The final regulations clarify that the initial seven-day waiting period for intermittent leave or reduced schedule leave is seven consecutive calendar days, not the aggregate accumulation of seven days of intermittent leave.
- The final regulations clarify that employers' quarterly reports to the State do not have to report earnings of 1099-MISC contract workers unless the contract worker has elected coverage under the public PFML program, or if the employer is a covered business entity (i.e., more than 50 percent of the employer's Massachusetts workforce is comprised of 1099-MISC contract workers).
- With respect to job protection and reinstatement requirements, the final regulations have added an exception for employees who are hired for a specific term or only to perform work on a discrete project. In those situations, if the employment term or project is over and the employer would not have otherwise continued to employ the employee, the employer does not need to reinstate the employee after leave. This is an important clarification for staffing industry employers.
- The final regulations clarify that it will refund contributions to an employer that overpays its contributions.
- The DFML may contact a covered worker's health-care provider directly for clarification or authentication of a certification form when necessary.

For a copy of the PFML regulations, copy and paste the following into your browser.

https://www.mass.gov/files/documents/2019/06/18/458%20CMR%202.00%20DEPARTMENT%20OF%20FAMILY%20AND%20MEDICAL%20LEAVE.pdf

New Notice Forms

Under the provisions of the PFML, on or before September 30, 2019, employers are required to provide written notice to their current workforce of PFML benefits, contribution rates and certain provisions.

The notice, which may be provided electronically, must include the opportunity for an employee or self-employed individual to acknowledge receipt or decline to acknowledge receipt of the information. The employer can receive these acknowledgments in paper form or electronically.

The DFML has now released updated template notice forms to reflect the PFML contribution collection rate and the date such collections will commence. These may be accessed at the following link under the heading of "Additional Resources." Other information regarding the PFML may also be located at this website.

https://www.mass.gov/info-details/informing-your-workforce-about-paid-family-and-medical-leave

Addendum for Employers That Already Issued Notices

The DFML also announced the following on its website.

> What if I already notified my workforce before June 14?
>
> If you provided written notices to your workforce prior to the June 14 delay announcement, you will need to provide them with a rate update sheet explaining the new dates and contribution rates. This sheet doesn't have to be signed by the covered individual but you'll need to keep a record of its distribution.

The DFML indicated that it would be releasing a template of this addendum shortly.

Nevada Enacts Paid Leave Bill

On June 12, 2019, Nevada Governor Steve Sisolak signed into law Senate Bill 312 (SB 312) that requires an employer who has 50 or more employees in Nevada, to provide employees a minimum of 0.01923 hours of paid leave for each hour worked that may be used by an employee beginning on the 90th calendar day of employment.

It is important to note that SB 312, effective January 1, 2020, provides that an employee may use paid leave available for use by that employee without providing a reason to his or her employer for such use.

Highlights of SB 312 are as follows:

- Every employer in private employment shall provide paid leave to each employee of at least 0.01923 hours of paid leave for each hour of work performed.
- An employee may, as determined by the employer, obtain paid leave by:
  - Receiving on the first day of each benefit year the total number of hours of paid leave that the employee is entitled to accrue in a benefit year.
  - Accrue over the course of a benefit year the total number of hours of paid leave that the employee is entitled to accrue in a benefit year.
- Paid leave accrued may carry over for each employee between his or her benefit years of employment, except an employer may limit the amount of paid leave for each employee carried over to a maximum of 40 hours per benefit year.
- Paid leave used should be compensated at the rate of pay at which the employee is compensated at the time such leave is taken.
- The rate of pay for salaried, commission, piece-rate or a method other than an hourly paid employee is calculated by dividing the total of wages of the employee paid for the immediately preceding 90 days by the number of hours worked during that period. For purposes of determining the rate of pay the following amounts are included:
  - Any bonuses agreed upon and earned by the employee (nondiscretionary).
  - Bonuses awarded at the sole discretion of the employer, overtime pay, additional pay for performing hazardous duties, holiday pay or tips earned by the employee are not included.
- Hourly wage must be calculated by the hourly rate the employee is paid by the employer.
- An employer may limit the amount of paid leave an employee uses to 40 hours per benefit year.
- An employer may set a minimum increment of paid leave that can be used at any one time, such increment cannot to exceed four hours.
- An employer must provide to each employee on each payday an accounting of the hours of paid leave available for use by the employee. An employer may use the system that the employer uses to pay its employees to provide the accounting of the hours of paid leave available for use by the employee.

- An employer may, but is not required to, compensate an employee for any unused paid leave available for use by that employee upon separation of employment.
- If an employee is rehired by the employer within 90 days after separation from that employer and the separation from employment was not used to the employee voluntarily leaving his or her employment, any unused paid leave hours available for use by that employee must be reinstated.
- An employer must allow an employee to use paid leave beginning on the 90th calendar day of his or her employment.
- An employee may use available paid leave without providing a reason to his or her employer.
- An employee must, as soon as practicable, give notice to his or her employer when using paid leave.
- An employer may not require an employee to find a replacement worker as a condition of using paid leave.
- An employer must maintain a record of the receipt or accrual and use of paid leave for each employee for a one-year period and make such records available for inspection of the Nevada Labor Commissioner.
- "Benefit year" means a 365-day period used by an employer when calculating the accrual of paid leave.
- "Employer" means a private employer who has 50 or more employees in private employment in Nevada.

For a copy of SB 312, click on the link provided below.

https://www.leg.state.nv.us/App/NELIS/REL/80th2019/Bill/6553/Text

Oklahoma Amends Voting Leave Law

Oklahoma Senate Bill 58 (S58) was signed into law and effective immediately amends employee rights to leave from work in order to vote. Highlights of S58 are as follows:

- Every corporation, firm, association or individual, who, on election day, has a registered voter employed or in his service, must grant the employee two (2) hours of time during the period when the election is open in which to vote.
- The time to vote will be allowed on the day of the election or on a day on which in-person absentee voting is allowed by law.
- If the employee is at such distance from the voting place that more than two (2) hours are required in which to attend such elections, then the employee must be allowed a sufficient time in which to cast a ballot.
- An employee must provide notice to an employer representative either orally or in writing of the employee's intention to be absent, at least three (3) days preceding the election day.
- The employer may select the days and hours which such employees are to be allowed to attend such elections, and may notify each of the employees which days and hours he or she has in which to vote. To the extent an employee's regular shift begins or ends three or more hours after or before, respectively, the polling hours, an employer does not have to designate the days or hours during which an employee is allowed to leave work to vote. The employer may change the work hours to allow such employee three (3) hours before the beginning of work or after the work hours.
- Upon proof of voting, such employee cannot be subject to any loss of compensation or other penalty for being absent in order to vote either on the day of the election or the day of in-person absentee voting.

For a copy of S58, click on the link provided below.

http://webserver1.lsb.state.ok.us/cf_pdf/2019-20%20ENR/SB/SB58%20ENR.PDF

Oregon Amends Family Leave Act

On June 6, 2019, Governor Kate Brown signed into law Senate Bill 796 that amends the Oregon Family Leave Act (OFLA) to include absences related to the donation of a body part, organ or tissue as a "serious health condition" for preoperative, diagnostic, surgery, postoperative and recovery periods. The onset of an employee's own serious health condition is currently one of the criteria that allows an employee to receive benefits under OFLA. Senate Bill 796 is effective on January 1, 2020.

A brief summary of OFLA may be found below:

Employers with at least 25 employees must give time off to eligible employees for these reasons:

- For the birth or adoption of a child, or the placement of a foster child
- To care for a family member with a serious health condition (family members include parents-in-law, domestic partners, grandparents, grandchildren, and the parents and children of domestic partners)
- o deal with the death of a family member (up to two weeks per death of a loved one may be used for these purposes)
- For the employee's own serious health condition
- For prenatal care or pregnancy disability, or
- To care for a sick child who does not have a serious health condition but requires care at home. (Leave is available for this reason only if there is no other family member who is willing and able to care for the child.)

Employees may take up to 12 weeks of leave in any one-year period for these reasons, with the following additional entitlements:

- An employee who takes 12 weeks of leave for any other reason listed above may take an additional 12 weeks of pregnancy disability leave.
- An employee who takes 12 weeks of parental leave may take an additional 12 weeks of sick child leave.
- An employee may combine these entitlements to take up to 36 weeks of leave: 12 for pregnancy disability, 12 for parental leave and 12 for sick child leave.

For more information on OFLA, click on the link provided below.

https://www.oregon.gov/boli/ta/pages/t_faq_oregon_family_leave_act_01-2011.aspx

A copy of Senate Bill 796 may be found at the following link.

https://olis.leg.state.or.us/liz/2019R1/Downloads/MeasureDocument/SB796/Enrolled

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Deadline for Washington Paid Family and Medical Leave Reporting and Premium Payment Postponed

The Washington Employment Security Department (ESD) has announced that the deadline for Paid Family and Medical Leave (PFML) wage reporting and premium payments has changed. Reporting and payments for quarters one and two should be submitted between July 1 and August 31, 2019. Previously Quarter 1 (January, February, and March) was due on April 30, 2019 and Quarter 2 (April, May, June) was due on July 31, 2019. It is important to note that this deadline delay is for 2019 reporting only.

The reports must include employee names, Social Security numbers, hours worked and wages paid. Additionally, the required employer information includes:

(1) Unified Business Identifier (UBI) number;
(2) Business name;
(3) Total premiums collected (if any) from employees; and
(4) Name of the report preparer.

If there is no payroll to be reported, no reporting is required. Payments may be made on the system using: (1) ACH (electronic check); (2) debit or credit cards; or (3) check or money order. Employer agents are not required to have a Power of Attorney (POA) to file or amend reports or make premium payments. However, a POA is required before ESD can provide any information about a client's account. Employees may begin using the Paid Family Medical Leave program beginning January 1, 2020.

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

https://paidleave.wa.gov/reporting

San Antonio, Texas, Paid Sick Leave Effective Date Delayed

On July 15, 2019, a number of business groups that collectively employ thousands in San Antonio, Texas, filed a lawsuit in Bexar County District Court seeking to stop the San Antonio paid sick leave ordinance from going into effect on August 1. The plaintiffs argue that the San Antonio ordinance passed is unconstitutional because it's preempted by the Texas Minimum Wage Act.

Background

Ordinances requiring private employers to provide paid sick leave to its employees were enacted in Austin, Dallas, and San Antonio, Texas. The Austin mandate to be effective October 1, 2018, was struck down in court as violating the Texas Minimum Wage Act. The Dallas and San Antonio ordinances were originally enacted to be effective August 1, 2019.

Opponents of these local paid sick leave laws introduced legislation (Senate Bill 2487) in the recent state legislative session to prohibit local paid sick leave mandates. The measure stated in part as follows:

A political subdivision of this state may not adopt or enforce any ordinance, order, rule, regulation, or policy regulating a private employer's terms of employment relating to any form of employment leave, including paid days off from work for holidays, sick leave, vacation, and personal necessity.

Although Senate Bill 2487 passed the Senate, it failed to be brought to a vote in the House prior to legislative session ending on May 27, 2019.It was anticipated, based on the Texas legislature failing to enact a law banning local paid sick leave laws, that court challenges may be forthcoming in relation to the San Antonio and Dallas ordinances.

San Antonio Delay

In response to the court filing, San Antonio has delayed the effective date of the paid sick leave ordinance until December 1, 2019, to allow resolution of the matter in the courts.

San Antonio Deputy City Attorney Ed Guzman released the following statement:

"Today, the City and opposing counsel submitted an agreed order for the Court's consideration to delay implementation of the paid sick leave ordinance until December 1, 2019. This additional time will allow us to continue working with the paid sick leave commission, committees and our stakeholders to refine the ordinance."

To date, no legal challenge to a Dallas paid sick leave ordinance scheduled to be effective on August 1, 2019, has been filed.

ADP® will continue to monitor and report on this matter.

Payroll

Minnesota Modifies Guidance on Wage Statement Requirements

It was recently reported that on May 30, 2019, Minnesota Governor Tim Walz signed into legislation (HF2) enacting the Minnesota Wage Theft law which, among other things, modified the information that must be provided by employers to employees on their wage statements.

Effective July 1, 2019, the following information must be provided:

(1) the name of the employee;

(2) the rate or rates of pay and basis thereof, including whether the employee is paid by hour, shift, day, week, salary, piece, commission, or other method;

(3) allowances, if any, claimed pursuant to permitted meals and lodging;

(4) the total number of hours worked by the employee unless exempt from Chapter 177;

(5) the total amount of gross pay earned by the employee during that period;

(6) a list of deductions made from the employee's pay;

(7) the net amount of pay after all deductions are made;

(8) the date on which the pay period ends; and

(9) the legal name of the employer and the operating name of the employer if different from the legal name;

(10) the physical address of the employer's main office or principal place of business, and a mailing address if different; and

(11) the telephone number of the employer.

Subsequently the Minnesota Department of Labor and Industry (Department) released frequently asked questions (FAQ) regarding the new legislation which included FAQ 3 as follows.

> 3. "What does 'on what basis' mean in the answer above?
>
> For the earnings statement, 'the basis for those rates' means the employer must state, for example, the rates are required by law, the rates are required by a collective bargaining agreement or the rates are established by the employer."

Upon contacting the Department for clarification, the Department confirmed that FAQ 3, as shown above exceeded the statutory language which merely provided that the following element was required: "the rate or rates of pay and basis thereof, including whether the employee is paid by hour, shift, day, week, salary, piece, commission, or other method;"

The Department stated that it would remove FAQ 3 and replace it. This has now been done and FAQ 3 now states as follows:

> "3. What does 'on what basis' mean in Minn. Stat. 181.032(d)(4)?
>
> 'On what basis' means the employer must include, in the written notice provided to an employee, the legal basis for the exemption from minimum wage, overtime and other provisions of Minn. Stat., Chapter 177."

As a result, the Department has clarified that information pertaining to whether an employee's rate(s) of pay was required by law or collective bargaining agreement or established by the employer need not appear on an employee's wage statement.

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

https://www.dli.mn.gov/business/employment-practices/wage-theft-qa

Montana Amends Child Support Laws

On April 10, 2019, Governor Steve Bullock signed into law Senate Bill No. 64 (SB 64) that modernizes the state's child support laws. Montana SB 64 is effective October 1, 2019.

Among the child support changes enacted under Montana SB 64 are:

- **Revised Definition of Income.** Montana expands the types of income from which child support may be withheld from an employee's disposable earnings effective October 1, 2019. In Montana SB 64, the word "periodic" was removed from the definition of income for purposes of calculating child support orders.

  Section 40-5-403 of Montana Code Annotated (MCA) was amended to read: (5)(a) "Income" means any forms of payment to a person, regardless of the source, including commissions, bonuses, workers' compensation, disability payments, payments under a pension or retirement program, interest, and earnings and wages." Income may include non-periodic payments, such as lump-sum payments. (Page 2 of Montana SB 64, attachment 190267A1.pdf.)

  This change means that one-time payments, such as sign-on bonuses and severance pay, are income for child support withholding purposes.

- **Allocation of Orders.** Montana changes the allocation and order in which child support payments are withheld by employers when there is not enough allowable disposable income to pay the full amount on all orders effective October 1, 2019. Prior to Montana SB 64, state law (MCA § 40-5-421) read "comply with the orders in the sequence in which they were served upon the payer…" Based on this provision, multiple child support orders would be withheld based on a first-come, first-served basis. And, consequently, could result in child support order(s) not being implemented.

  Montana SB 64 eliminates the first-come, first-served provision. Effective October 1, 2019, when there are multiple child support orders and there is insufficient funds to fully withhold for all orders, the amendment gives priority to current child support orders followed by arrears.

- **Priority.** Existing Montana law, MCA § 40-5-813, states that if the total cost of the medical support premium, current child support and arrears exceed the maximum amount permitted under the federal Consumer Credit Protection Act (CCPA), the current child support and the full cost of the medical support premium have priority before the arrears.

  However, if the total cost of the current child support and medical support premium exceeds the amount of allowed for garnishment under the CCPA, the current support and arrears take priority over the medical support premium. (The employer may not withhold the part of the medical support premium that is in excess of the withholding maximum under the CCPA.)

Effective Date. Please note, the new legislation applies to all child support orders in effect as of October 1, 2019. There is no impact to prior or pending cases because the Montana Child Support Enforcement Division has already taken these changes into consideration in administering child support.

For a copy of SB 64, click on the link provided below:

https://leg.mt.gov/bills/2019/sesslaws/ch0131.pdf

Nevada to Increase Minimum Wage

On June 12, 2019, Nevada Governor Steve Sisolak signed Assembly Bill 456 (AB 456) that increases the minimum wage in the state. The current minimum wage in Nevada is $7.25 per hour if the employer provides qualified health benefits and $8.25 if the employer does not provide qualified health benefits. This level has not increased since July 1, 2010. Nevada does not allow employers to utilize a tip credit when paying tipped employees.

The schedule of minimum wage increases in Nevada is as follows.

Effective July 1, 2020:
$8.00 per hour if employer provides qualified health benefits.
$9.00 per hour if employer does not provide qualified benefits.

Effective July 1, 2021:
$8.75 per hour if employer provides qualified health benefits.
$9.75 per hour if employer does not provide qualified benefits.

Effective July 1, 2022:
$9.50 per hour if employer provides qualified health benefits.
$10.50 per hour if employer does not provide qualified benefits.

Effective July 1, 2023:
$10.25 per hour if employer provides qualified health benefits.
$11.25 per hour if employer does not provide qualified benefits.

Effective July 1, 2024:
$11.00 per hour if employer provides qualified health benefits.
$12.00 per hour if employer does not provide qualified benefits.

Previously Nevada Senate Bill 192 clarified that a "qualified health benefit" is as follows:

For the purpose of determining the minimum wage that may be paid per hour to an employee in private employment pursuant to Section 16 of Article 15 of the Nevada Constitution and NRS 608.250, an employer:

1. Provides health benefits as described in Section 16 of Article 15 of the Nevada Constitution only if the employer makes available to the employee and the employee's dependents:

(a) At least one health benefit plan that provides:

(1) Coverage for services in each of the following categories and the items and services covered within the following categories:

(I) Ambulatory patient services;
(II) Emergency services;
(III) Hospitalization;
(IV) Maternity and newborn care;
(V) Mental health and substance use disorder services, including, without limitation, behavioral health treatment;
(VI) Prescription drugs;
(VII) Rehabilitative and habilitative services and devices;
(VIII) Laboratory services;
(IX) Preventative and wellness services and chronic disease management;
(X) Pediatric services which are not required to include oral and vision care; and
(XI) Any other health-care service or coverage level required to be included in an individual or group health benefit plan pursuant to any applicable provision of title 57 of NRS; and

(2) A level of coverage that is designed to provide benefits that are actuarially equivalent to at least 60 percent of the full actuarial value of the benefits provided under the plan; or

(b) Health benefits pursuant to a Taft Hartley Trust which is formed pursuant to 29 U.S.C. § 186(c)(5) and qualifies as an employee welfare benefit plan pursuant to:

(1) The Employee Retirement Income Security Act of 1974, 29 U.S.C. §§ 1001 et seq.; or

(2) The provisions of the Internal Revenue Code; and

2. Does not provide health benefits as described in Section 16 of Article 15 of the Nevada Constitution if the employer makes available to the employee and the employee's dependents a hospital indemnity insurance plan or fixed indemnity insurance plan unless the employer separately makes available to the employee and the employee's dependents at least one health benefit plan that complies with the requirements of Subsection 1.
3. As used in this section, "health benefit plan" has the meaning ascribed to it in NRS 687B.470.

It is also important to note that the Nevada Supreme Court has ruled that an employer only need to offer a "qualified health benefit" in order to pay the lower minimum wage. The declining of a qualified health benefit by an employee does not entitle the employee to the higher minimum wage.

For a copy of AB 456, click on the link provided below.

https://www.leg.state.nv.us/App/NELIS/REL/80th2019/Bill/6870/Text

Berkeley, California, Announces Minimum Wage Increase

Berkeley, California, has announced that effective July 1, 2019, the city minimum wage will be $15.59 per hour. This is an increase of 59 cents per hour over the previous minimum of $15.00 per hour. The minimum wage will be increased based on CPI on July 1, 2020.

For a copy of the "Official Notice," click on the link provided below.

https://www.cityofberkeley.info/MWO/

Sonoma, California, Adopts Minimum Wage Ordinance

On June 10, the Sonoma, California, City Council adopted an ordinance that raises the minimum wage for all employees who work two hours or more in a particular week within the geographic boundaries of Sonoma.

The schedule of minimum wage increases are as shown below. Sonoma currently adheres to the California minimum wage which as of January 1, 2019 is $11.00 for employers with 25 employees or less and $12.00 for employers with 26 employees or more. The state minimum wage will increase to $12.00 per hour (25 employees or less) and $13.00 (26 employees or more) effective January 1, 2020.

Minimum Wage

Effective Date	Minimum Hourly Rate for Large Employers (26 or more EEs)	Minimum Hourly Rate for Large Employers Providing $1.50/Hr. Medical Benefits*	Minimum Hourly Rate for Small Employers (25 or less EEs)	Minimum Hourly Rate for Small Employers Providing $1.50/Hr. Medical Benefits*
01/01/2020	$13.50	--------	$12.50	--------
01/01/2021	$15.00	$13.50	$14.00	$12.50
01/01/2022	$16.00	$14.50	$15.00	$13.50
01/01/2023	$17.00	$15.50	$16.00	$14.50

Please Note:

- The term "small employer" does not include a franchisee associated with a franchisor or a network of franchises with franchisees that employ more than 25 employees in aggregate
- *Effective January 1, 2021, an employer that pays at least $1.50 per hour per employee towards an Employee medical benefits plan can pay the applicable minimum wage rate less $1.50. (During implementation, the City Manager may provide guidelines and procedures required in calculating and obtaining this medical plan credit)

Tipped Employees

- California currently does not allow locals to have a minimum cash wage or tip credit. Tipped employees must be paid the full federal, state or local minimum wage, whichever is the highest.

Note: Although employers cannot take a tip credit for discretionary tips, commissions or guaranteed gratuities (service charges) may be counted toward the payment of the minimum wage when the commissions or guaranteed gratuities are earned and paid together with other compensation and together equal or exceed the current minimum wage.

Youth Minimum Wage

An employee who is at least 14 but not older than 17 years of age and a "Learner" under CA Welfare Commission Order No. 4-2001, must be paid at least 85 percent of the applicable Sonoma minimum wage rounded to the nearest nickel ($0.05) during the first 160 hours of employment.

Annual Cost of Living Adjustment (COLA)

- Beginning on January 1, 2024, and every January 1st thereafter, the City of Sonoma will increase the minimum wage based on a percentage ("Index") set by separate Sonoma City Council resolution, not to exceed 3.5 percent, for Large Employers
- For Small Employers, if the rate of change in the Index for the period ending close to December 1st of that year is negative, there shall be no increase or decrease in the minimum wage on the following January 1st

Covered Employers

- Employers with employees working within the geographic boundaries of Sonoma
- Employers subject to Sonoma business license requirements
- Governmental agencies, including federal agencies, state agencies, counties, school districts and auxiliary organizations as defined under Education Code Sections 72670(c) and 89901, when work performed is not related to their government function
- City of Sonoma

Covered Employees

- Employees working at least two hours in a particular calendar week within the geographic boundaries of Sonoma, regardless of the employer's location
- Employees entitled to the CA state minimum wage under Section 1197 of the CA Labor Code and wage orders published by the CA Industrial Welfare Commission

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**.

If you have any questions regarding our services, please call 855-466-0790.

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