

## 2019 March Newsletter

***Can you reduce your federal tax liability under the Work Opportunity Tax Credit (WOTC)?*** If you hire employees from specific target groups facing barriers to employment, such as the following, you may qualify;

Veterans

Supplemental Security Income Residents

Vocational Rehabilitation Referrals

TANF Recipients

*Newly Added Category*--Long Term Unemployed

Ex-Felons

Food Stamp Recipients

Designated Community Residents

Summer Youth Employment

You may be able to earn a tax credit for each qualifying worker up to \$9,600 (for certain military veteran employees). About \$1 billion in tax credits are claimed each year under the WOTC program, according to the Department of Labor (DOL). For more information, go to <https://www.irs.gov/businesses/small-businesses-self-employed/work-opportunity-tax-credit>

***The Department of Labor just announced the proposal to update and revise the regulations under the Fair Labor Standards Act (FLSA).*** The proposal would implement minimum wage and overtime pay requirements for executive, administrative, professional, outside sales, and computer employees. Currently, employees with a salary below \$455 per week (\$23,660 annually) must be paid overtime if they work more than 40 hours per week. This new proposal would update the salary threshold using current wage data, projected to January 1, 2020, from \$455 to \$679 per week (equivalent to \$35,308 per year).

One difference from the previous 2016 proposal is the consideration that small, nondiscretionary bonuses, determined at year end, could be counted toward the recommended salary-level threshold of \$35,308 per year for determining whether someone is exempt from the overtime requirements.

You can read more about the proposal [DOL Fact Sheet-Overtime](#)

*Note: The above is only a proposal and no changes will take effect until after the publication of the final rule.*

***On the heels of Texas cities trying to enact sick leave policies,*** a bill was introduced recently to the Texas Senate that would ban cities from adopting any ordinance, rule or requirement “regulating a private employer’s terms of employment” in the areas of paid leave, vacation and days off, health and disability benefits or “scheduling practices”, along with local laws that bar employers from taking a job applicant’s criminal history into account.

*New York City released guidance in February* defining discrimination based on natural hair and hairstyles as a subset of race discrimination. This anti-discrimination guidance on the basis of hair appears to be the first of its kind in the United States. Not sure if other states or cities will follow New York City's lead, but it is something to keep on your radar.

***Higher Penalty Structures for Department of Labor Violations.*** Employers that willfully and repeatedly violate the Fair Labor Standards Act (FLSA) or the Family and Medical Leave Act (FMLA) now face higher fines. The maximum fine per FLSA violation is \$2,014 while the FMLA fine per violation is \$173. The penalties apply to:

- [Employers covered under FLSA](#) (2+ employees and annual sales of \$500,000)
- [Employers covered under FMLA](#) (50+ employees)

In order to prevent any violations, do not intentionally violate federal minimum wage, overtime, or posting requirements. If you need help to ensure you are complying, we will be glad to provide guidance.

### Upcoming Deadlines

- Medicare Part D Reporting: Within 60 days after the beginning of each plan year, employers must report to CMS whether the plan's prescription drug coverage is creditable (has the same or higher actuarial value than Medicare Part D). The filing is electronic.
- **April 1:** Submit Forms 1094-C and 1095-C to the IRS (E-Filing Deadline)

*May you have warm words on a cold evening, A full moon on a dark night, and the road downhill all the way to your door.  
-Irish Blessing*



***If you need assistance on any of the above items or other projects, we are available to help. Please contact [info@humanresourcesolutionsllc.com](mailto:info@humanresourcesolutionsllc.com)***

*This newsletter is intended to provide general guidance about recent topics in Human Resources. It is not a legal opinion. For answers to your specific questions, please consult with counsel.*