2018 Guide to Employment Law for California Employers

CAGEMPCA

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What's New for 2018 in California?

The following are highlights of the legal changes and additions of tips, tactics, and new information that were added to this volume throughout 2017—so that you can spot the changes for 2018 with ease!

What's New for 2018 in California:

- **Age Discrimination:** A federal appellate court has ruled that the ADEA applies to all public employers regardless of size.
- **Alcohol and Drugs:** Learn about the new ballot initiative legalizing the recreational use of marijuana.
- **Application Forms, Hiring,** *and* **Preemployment Inquiries:** Effective January 1, 2017, employers are prohibited from asking about applicants' juvenile crime record.
- **Application Forms, Civil Rights, Hiring,** *and* **Preemployment Inquiries:** Effective July 1, 2017, state regulations prohibit employer inquiries about certain criminal records.
- **Civil Rights, Equal Pay/Comparable Worth, National Origin Discrimination, Racial Discrimination,** *and* **Sex Discrimination:** Effective January 1, 2017, the state's Equal Pay Law prohibits discrimination based on a person's identity in compensation for substantially similar work.
- **Disabilities:** Effective January 1, 2017, state fair employment law allows those employed in sheltered workshops to bring discrimination claims against their employers. Also, a state appellate court has reversed its rule on accommodation based on association with an individual with a disability.
- **Employment Contracts:** A new law prohibits the use of choice of law provisions in employment contracts that apply to individuals who primarily reside and work in the state of California.
- **Equal Pay/Comparable Worth, Hiring,** *and* **Preemployment Inquiries:** Effective July 1, 2018, employers in San Francisco are prohibited from inquiring about an applicant's salary history.
- **Exempt Personnel:** The minimum salary thresholds for exempt employees has been increased for 2017. Also, learn more about exempt executive, administrative, and professional employees.
- **Healthcare Insurance:** There is updated information on providing the CHIP notice.
- **Hours of Work:** There is additional information on California's day of rest rule.
- **Maternity and Pregnancy** *and* **Records:** Effective January 1, 2018, San Francisco requires covered employers to provide reasonable accommodations to nursing mothers, and sets forth specific policy requirements.
- **Notices (Posting):** Learn about the newly released AB 2337 domestic violence poster, as well as two new San Francisco ordinances (salary history and lactation) that go into effect in 2018. Also, read about the notice employers must provide to employees taking leave under San Francisco's paid parental leave ordinance.
- **Overtime:** There are new California overtime requirements for agricultural workers and domestic workers.
- **Records:** There is new information relating to the recordkeeping portion of the San Francisco Fair Chance Ordinance.
- **Rest Periods:** Commissioned employees are entitled to separate compensation for rest periods, and on-call employees must be relieved of all duties during rest periods.
- **Sexual Harassment:** Effective January 1, 2017, the state's harassment prevention training requirement applies to local agency officials.
- **Sick Leave:** New agency guidance documents provide additional information and answers to frequently asked questions about state and local paid sick leave laws.

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What's New for 2018 Nationally:

- **Affordable Care Act:** This *new* national section discusses the Affordable Care Act, including the employer mandate and the play-or-pay penalties.
- **Age Discrimination:** There has been a recent court decision on age-related disparate impact claims.
- **Benefits Recordkeeping and Disclosures:** There is a discussion of wrap documents and proposed changes to Form 5500.
- **Bonus Payments:** Learn more about the various types of bonuses employers offer.
- **Callback Pay/Report-in Pay:** There is additional information provided on report-in pay.
- **Commuting:** Exclusions from gross income amounts for qualified transportation benefits increased in 2016.
- **Defined Contribution Health Plans:** This *new* national section discusses defined contribution health plans in the consumer-driven healthcare market and features analysis on health reimbursement arrangements (HRAs). Also, there are annual contribution limits and annual out-of-pocket limits for 2018.
- **Exempt Personnel:** There is additional information on the administrative exemption and the Motor Carrier Act.
- **Exempt Personnel, Fair Labor Standards Act (FLSA), Minimum Wage, Overtime,** *and* **Salaried Employee (national):** The federal Department of Labor's changes to the overtime regulations effective December 1, 2016, are now on hold.
- **Fair Labor Standards Act (FLSA):** There is additional information on the Motor Carrier Act.
- **Flexible Benefits/Cafeteria Plans:** The FSA contribution limit increases to $2,600 for 2017.
- **Fringe Benefits:** This *new* national section focuses on fringe benefits policies.
- **Health Insurance: Play or Pay:** Learn about the new 2017 IRS percentage limit for ACA affordability.
- **Immigration:** Employers may use the current revision of Form I-9 until January 21, 2017.
- **Minimum Wage:** The minimum wage for federal contractors increases to $10.20 on January 1, 2017.
- **Independent Contractors:** DOL's 2015 informal guidance containing the "economic realities" test for independent contractor status was withdrawn on June 7, 2017.
- **Mileage Allowance:** The IRS has set the mileage reimbursement rate to 53.5 cents per mile, effective January 1, 2017.
- **Minimum Wage:** Minimum wage rates increased in numerous state and municipal jurisdictions effective January 1, 2018.
- **Retirement Savings and Pension Plans:** Effective April 10, 2017, there are new fiduciary rules for investment advice. Also, there is new information on plan audits and correcting plan problems.
- **Social Security/Medicare:** The maximum wage base for Social Security tax increases to $127,200 for 2017.

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