HR Answers June 2019



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#### OREGON MINIMUM WAGE CHANGES

The minimum wage for all regions in Oregon will increase effective July 1, 2019. The Standard minimum wage rate will increase to \$11.25 per hour. The minimum wage in the Portland Metro area will be \$12.50, and the rate for the Nonurban Counties will increase to \$11.00 per hour. Please feel free to call us if you are not sure what regional area you are in or if these changes will create wage compression (employees of greater value and responsibility are being scrunched by the minimum wage increase) and you wish to talk about solutions.

#### NEW W-4 FORM TO BE RELEASED

The IRS is revising the W-4 form which will be effective January 1, 2020. The driver behind the change is to ensure that taxpayers are not surprised regarding their possible refunds. This revision is a consequence of the tax laws revisions that were made in 2017. As a reminder, those changes affected the standard deduction, lowered tax rates, and altered available credits and some other deduction amounts.

The new form will require additional information including data about household members and their earnings. The employee's ability to request their employer withhold more money from their paychecks will remain. This new form is intended to assist employees with determining how much money should be withheld from the paychecks, but unfortunately, it will not assist employees trying to determine their tax burden for 2019.

Any employee starting with a new employer after January 1, 2020 will need to complete the new form. Employees not changing employers are not required to complete the new form, but can if they wish. The purpose would be to have a clearer understanding of the amount to be paid to the IRS and the likelihood of receiving a refund that differs from past years.

The effective date is still months away, but employers should plan to provide detailed instructions or training for employees regarding the new form once it is released. It is likely that some employees will be distressed by this new obligation, so providing assistance in completing it may be helpful.

**NOTE:** Your state may also have a specific form; employees should be offered both. Also, please refer an employee with tax questions to an appropriate tax professional for advice.

## EMPLOYERS, REMEMBER TO BE COGNIZANT OF STATE AND FEDERAL REGULATORY DIFFERENCES

It's well known to some, especially those employers who manage family and medical leaves of absence in states like California, Oregon, and Massachusetts, that remembering what differences exist between the state and federal statutes and regulations is important. Not managing these differences can lead to costly mistakes and compliance issues.

This is true for other areas of employment law as well, as should be expected. Another good example is apparent with disability law, as most states have laws which cover disability discrimination. For private employers in any state, 15 employees triggers coverage under the ADA, as amended. Using Washington as an example, private employers with only eight (8) employees are covered by the state law. Differences between federal and state law can also pertain to what conditions or impairments are considered a disability or not, and the law which is more beneficial to an employee is applicable. Looking again at Washington state disability law, the WLAD, it's more inclusive of conditions and impairments which might not qualify for federal coverage, even after the Amendments Act.

There is also value in bringing up a recent Oregon wage and hour example, which will only continue to impact more employers as the minimum wage increases each year on July 1<sup>st</sup>, unless proposed legislation and regulations at the state and federal level pass and take effect, necessitating greater changes:

When the minimum wage increased in 2018, it left some employees who previously qualified for exempt status by meeting the federal minimum salary threshold of \$455/week or \$23,660/year suddenly <u>non-exempt</u>. This transpired because Oregon employers needed to pay a salary at minimum based on the \$12/hour minimum wage applicable to the Portland metro urban growth boundary (UGB), or at least \$480/week or \$2080/month, to maintain their exemption status. With a minimum wage increase to \$12.50 around the corner for employers in the metro area, additional employees may lose their exemption status at the state level, despite the fact that they continue to meet the minimum salary requirement at the federal level. In 2020, employers in the "standard" and "non-urban" counties for state minimum wage rates will also be impacted.

Call us if you have questions about these topics or anything else. Having an HR professional who is knowledgeable about local, state, and federal employment laws and regulations is key, which is why we are here to help employers either directly or as a support to their in-house HR representatives.

#### LABOR LAW POSTER

The Department of Labor has recently updated the National Labor Relations Act (NLRA) rights poster that federal contractors and subcontractors are required to display under Executive Order 13496, "Notification of Employee Rights Under Federal Labor Law."

The changes are minor, but in the event of any DOL audit, the employer can be found to have not posted the current poster and therefore be fined.

Federal contractors and subcontractors can obtain the updated poster at no cost by downloading it from the Department's Office of Labor-Management Standards (OLMS) website at https://www.dol.gov/olms/regs/compliance/EO13496.htm.

If you have any questions, or if you would like a hard copy of the notice, you can contact OLMS at <a href="mailto:olms-public@dol.gov">olms-public@dol.gov</a> or 202-693-0123.

#### EMOTIONAL INTELLIGENCE

WHAT IS OLD IS NEW AGAIN

Each year HRA conducts a tremendous amount of training for our clients. Providing Supervisory Skills usually tops the list of requests. We often include Emotional Intelligence as part of the programming and find attendees really benefit from the discussion. Everyone has emotions and we need to learn to work wisely with them and understand them in ourselves and others. Often times our weaknesses are an overuse of our strengths and something worth exploring.

The prestigious Stanford University MBA program offers a class called Interpersonal Dynamics, affectionately known as "touchy feely," a.k.a Emotional Intelligence. It is one of their most popular classes. It has been around for fifty years and continues to grow in popularity.

The goal of the class is to improve self-awareness so students understand their impact on others. They learn how to give and receive honest insightful feedback – which some people and/or know how to do it well. The course covers key questions like:

- What feelings are we having in response to each other?
- What is the impact of sharing feeling or vulnerabilities?
- What are the interactions the make us feel more or less connected to each other?

Feeling, like statistics, help an organization grow and plan for the future. Both are valued and needed for success.

If you would like to learn more about Emotional Intelligence Paul Hutter, Senior Consultant and Trainer, will be conducting a webinar on June 20th. You can use this link.

Editor: Judy Clark, CPC, SPHR, IPMA-CP: Advantage is published monthly and is designed to provide information on regulations. HR practices and management ideas and concerns. The intended audience is managers, supervisors, business owners, human resource and employee relations professionals. If you have questions about the content, an opinion about the information, or questions about your subscription, please give us a call at (503) 885-9815 or e-mail <a href="mailto:info@hranswers.com">info@hranswers.com</a>.





#### **CLIENT ACCOLADES**

We are always delighted when the *Portland Business Journal* produces the list of the largest or best companies and organizations that are part of some industry sector. We were even more delighted to see a host of our clients that are part of the construction industry. The list below is for the 36 Largest Commercial and Civil Contractors in the Portland Metro area. We offer our recognition and our pride at being able to work with the following:

R&H Construction\* (5) P&C Construction\* (17)
Andersen Construction\* (7) Todd Construction\* (18)

Walsh Construction\* (8) Lorentz Bruun Construction\*(21)

Fortis Construction (9) Nutter Corp. (26)

Pence Construction (12) James E. John Construction\* (27)

Robertson and Olson Construction (14) INLINE Commercial Construction\* (30)

Emerick Construction\* (15) Russell Construction\* (32)

LMC Construction\* (16)

The asterisks shown on some of the above organizations indicate that they were also listed as part of the 35 Largest Commercial Remodeling Firms. One of our clients was only listed as a top Remodeler and that is Charter Mechanical Contractors.

To each of the above firms, we offer our congratulations and hope for continued success!!

Another accolade goes to **Melissa Damm** of **Providence Health and Services of Oregon** for her selection as one of the top 40 under 40 in the Portland Area. We are pleased to acknowledge her selection and pleased at our relationship with Providence Health Systems. Congratulations Melissa!!

#### HR BY THE NUMBERS

The Federal Reserve annual report has some interesting numbers for HR. Here is some of the data they published:

- 54% of adults working have money in a defined contribution plan (401(k), 403(b), or 457
- 42% have savings outside a retirement account
- 33% have an IRA
- 22% have a defined benefit plan
- 25% have no retirement savings whatsoever

\*\*\*

The HSA (Health Savings Account) limits are going to rise a little for 2020. The new number for them will increase by \$50 for self-only coverage and \$100 for family coverage. That is a 1.5% increase over this year. The annual limits will increase to \$3,550 for self-only and be \$7,100 for family coverage. There are some other provisions that will change so we encourage clients to talk with their broker about these changes if you have an HSA in place.

\*\*\*\*

The current administration has budgeted \$23.8 for dealing with drug overdoses, primarily for opioid addiction. This is \$5 billion more than in 2013. The costs just go up. To offer some local information on this, Oregon ranks 12 in drug use and Washington ranks 30<sup>th</sup>. (If you wish to know about drug use in other states, just give us a call.) And while those of us in Oregon are usually pleased about a top ranking among the states, the fact that we are third in teen age drug use is nothing to be proud of. That statistic is only topped by the use of drugs by adults. Oregon ranks at the top of states for adult drug use. Consider that while recognizing that Oregon is 5<sup>th</sup> on the list of fewest drug rehabilitation facilities.

The above information on drug use was compiled from US Census Bureau, Bureau of Labor Statistics, Centers for Disease Control and Prevention, and the Federal Bureau of Investigation.



#### THOUGHTS TO THINK ABOUT

Believe in yourself! You are braver than you think, more talented than you know, and capable of more than you imagine.

A life without love is like a year without summer.

~Swedish Proverb

Time is an illusion, lunchtime doubly so.

~Douglas Adams

Adults are always asking little kids what they want to be when they grow up because they're looking for ideas.

~Paula Poundstone

If a June night could talk, it would probably boast it invented romance.

~Bern Williams

Better days are coming. They are called Saturday and Sunday.

~Author unknown

What the world really needs is more love and less paper work.

~Pearl Bailev

The purpose of life is not to be happy. It is to be useful, to be honorable, to be compassionate, to have it make some difference that you have lived and lived well.

~ Ralph Waldo Emerson

#### THE SECTION 14(C) NATIONAL ONLINE DIALOGUE

The U.S. Department of Labor's Office of Disability Employment Policy (ODEP), through its ePolicyWorks initiative, is hosting a <u>national online dialogue</u> to gather perspectives on Section 14(c) of the Fair Labor Standards Act. Please share your ideas, individual stories, and personal experiences illustrating the impact of Section 14(c) on the employment of people with disabilities. The goal of this online dialogue is to capture perspectives about Section 14(c) based on individual input from those "on the ground." Information gleaned from the comments will then be summarized to provide ODEP an overview of Section 14(c) at the state and national levels.

#### NEW COLORADO LAW WILL SOON CRIMINALIZE WAGE VIOLATIONS

Under current Colorado law, an employer may be found guilty of "wage theft" if it willfully refuses to pay a wage claim or falsely denies the amount or validity of a wage claim. House Bill 1267, which passed the House on April 10 and the Senate on April 24, redefines wage theft as "criminal theft."

This means that potential wage theft will soon be reviewed and subject to the same penalties set forth in Colorado's criminal theft statute. Under the new law, an employer that willfully refuses to pay wages, or falsely denies the amount of a wage claim, commits petty theft, which is a misdemeanor. However, if the wage amount is over \$2,000, the employer may be found liable for a felony theft offense.

The bill defines an "employee" as any person performing labor or services for the benefit of an employer. The relevant factors in determining employee status include the degree of control the employer may or does exercise over the person.

The bill defines "employer" using the same definition as the Fair Labor Standards Act, specifically including foreign labor contractors and migratory field labor contractors or crew leaders in the definition.

According to Colorado's Legislative Council, the current fine penalty for these wage offenses is \$300 for failure to pay wages, and \$500 for failure to pay the minimum wage. However, the fine penalty for theft ranges from \$50 all the way up to \$1 million, depending on the circumstance of the crime and the value stolen.

Employers will not be able to escape liability by claiming certain financial conditions interfere with their ability to pay their workforce.

The effective date of the new law is January 1, 2020 – but you shouldn't be fooled into thinking that you can put off preparing for the changes. Colorado employers should use the rest of the year to review your pay practices and be mindful of new categories of exposure under Colorado wage law.



#### LGBTQ FOCUS

June is the month in which LGBTQ Pride is celebrated. The initials may not roll off your tongue easily, but there is no question that it is continuing to be a topic of conversation for employers and advocates. A recent proclamation was made by the EEOC Chair, Janet Dhillion. Her statement starts by giving some history of both Ralph Waldo Emerson and his impact on Walt Whitman in which she identifies that Walt Whitman was gay. She speaks about this contribution to the world and particularly to Americans. She tells about the fact that he had to change publishers because of discrimination. As she is ending her statement, she says this, "I would like to believe that were he writing today, Whitman would not be released by his publisher because of his sexual orientation. We have learned that there's nothing contradictory or paradoxical about being great and gay. After all, Walt wrote the most America set of poems there ever was; held his head high against his critics; defied censorship and kept on writing. Walt Whitman inspired millions of hearts forever..."

It really is about the person's ability to do the job expected, not about their personal lives or who they love.

#### EMPLOYEE WORK INTENTIONS

Last month we discussed Trust as an element of Employee Engagement. Finding employees who will be committed (dare we say loyal) to an organization is a hot topic these days. Perhaps "we" should be talking with our employees and finding out where they stand and why. Consider these key words and their definitions by Randy Conley and Drea Zigarmi:

**Discretionary effort:** the extent to which the employee intends to expend their discretionary effort on behalf of the organization above and beyond agreed-upon requirements.

**Intent to perform:** the extent to which the employee intends to do their job well and work affectively to help the organization succeed. **Organizational citizenship behaviors:** the extent to which the employees are committed to supporting fellow workers behaving in ways that are respectful, considerate and sensitive to others.

**Employee endorsement:** the extent to which the employee readily endorses the organization to others as a good place to work and as a quality supplier of goods and services.

**Intent to remain:** the extent to which the employee plans to stay with the organization.

Then let's add to that key elements around passion building within the work environment examples are listed below:

#### **Organizational factors**

Distributive fairness: the extent to which resources, compensation and work loads are fairly balanced.

Procedural fairness: the extent to which policies and procedures are consistently unfairly applied.

Growth: the extent to which there is support for current and future career and job growth.

Performance expectations: the extent to which individuals feel that the work is compared to an agreed-upon standard and understand what is expected of them.

#### **Job Factors**

Meaningful work: the extent to which people understand and resonate with the organizations purpose and believe they are working on projects that matter and produce positive results.

Autonomy: extent to which individuals can choose how tasks are performed, are trusted to do their jobs, and have the authority to make decisions.

Workload balance: the extent to which individuals feel they have ample time to accomplish their work.

Task variety: the extent to which individuals feel they have the variety in but in both the type and complexity of tasks.

#### **Relationship Factors**

Connectedness to colleagues: the extent to which colleagues make an effort to build rapport and personal and professional relationships.

Connectedness to leader: the extent to which leaders make an effort to build rapport and personal professional relationships.

Collaboration: the extent for which the organization encourages the sharing of ideas teamwork and collaboration on projects and tasks.

Feedback: the extent to which individuals receive honest and direct feedback about the quality of their work.

So, what comes to mind when you read these words? How is this playing out in your organization? What do you need to build or intentionally create to have these elements at play within your workplace?

#### O & A

Q: When is it job abandonment? I have heard about no call/no shows. Can one day be enough absent any extenuating circumstances?

A: Our first question is "Do you have any reference to Job Abandonment in your Employee Handbook?" We recommend and the majority of our clients have a three-day window without any contact as reason to end the relationship. See the sample below.

**Job Abandonment:** Employees who are absent from work without approval for three (3) consecutive workdays and have not contacted their Immediate Supervisor or a Member of Management regarding the reason for their absence shall be deemed to have abandoned their job and to have voluntarily resigned their employment from (Company name).

The time frame shows the employer is being fair to the employee by allowing them an adequate time to explain the absence (extenuating circumstances). It also ensures the employer does not make "hasty" decisions or using the one day as an excuse to terminate a poor performing employee. Fairness is the key. If you terminate after one day, how do you know that there were not extenuating circumstances?

#### FOR YOUR CALENDAR

#### **JUNE**

National month of the following: Adopt a Cat, Bunch of Balloons, Camping, LGBTQIA Pride Month, Men's Health, PTSD Awareness, and Soul Food

Jun. 20 HRA Workshop – HRA Office – Portland/Tigard Emotional Intelligence and Communication in Leadership Workshop 8:30am - 12:30pm

Jun. 20 HRA Presentation (Deborah) – PacificSource Tigard or Online How Is Your Engine Running? Routine Maintenance on Stress 9:00am - 10:30am

Jun. 26 Chocolate Pudding DayJun. 30 Meteor Watch Day

#### Coming Up:

July. 17 HRA Webinar – Online / Teleconference
Oregon Leave Laws
9:00am - 10:30am
July. 18 HRA Webinar – Online / Teleconference

Washington Leave Laws 9:00am - 10:30am

July. 25 HRA Workshop – HRA Office – Portland/Tigard Implicit Bias – How Do We Address This Concern? 8:30am - 10:30am

#### Planning Ahead:

Sep. 10- HRA Workshop – HRA Office – Portland/Tigard
Oct. 29 Supervisory Success 8 Part Series
8:30am - 12:30am

View more details and register for our workshops on our website at hranswers.com.

Information and advice offered through Advantage should not be construed as legal opinion. The material contained herein will not apply to all circumstances or to all organizations. Use it as a resource and reference. Should you feel legal advice is required, please consult with your corporate counsel.

#### ON MY SOAPBOX

I am a sports fan. Like most people of my age, I played outside a lot growing up. I learned to throw dogwood blossoms when we played fort. I built strong legs when I played Lewis and Clark and hiked all over the hills of Rosemont and West Linn. I had PE in school and at Portland State I was on the Volleyball team. Surprise – surprise! I wasn't selected because of my height, a grand 5' 4." I was selected because I went to the ground to pick up any ball threatening to touch the floor. I was covered in bruises and scrapes.

I suspect my athletic pursuits, such as they were, were caused by my Dad who played semi-professional baseball in his twenties. He played Shortstop for the Coke-Cola team and had a great eye for getting doubles at the plate. I was his favorite for six years because of the difference in ages between myself and my brother. Dad may have been responsible for the fact that baseball has always been a passion for me. When I was little, he and I would go to the old Beavers games. He would teach me about what the players were doing and why they the did what they did. To this day, I watch for what the batters will do when the count is 3-2. Dad taught me that 75% of the time, the next pitch would be fouled off. Now as I sit watch, when it is a foul ball, I murmur to myself, "Daddy's rule."

I have always thought that what happens in sports is a good metaphor for life. So many truths in sports seem to transfer directly to life. And now I have added one more to my private list of connections. A new book is coming out. Its title is simply *Edgar*. It is the story of Edgar Martinez, the Mariners' designated hitter. In his last year of eligibility, he was selected to the Baseball Hall of Fame last year. He is a tremendous example of perseverance, mindfulness, and learning from life's experiences.

There are excerpts out from his book and I ran into one of them last week. Now, mind you, he was selected to the Hall of Fame, but he says that his greatest lesson for the game and his life occurred because in one game he committed four errors. That is unheard of. A team may have a bad game and commit four errors. But a player by himself committing four errors? It appears that it has only happened twice. Once to Edgar, and once to a player, Bob Brenly in 1986. Interestingly enough, both players played third base when it occurred; and Bob wasn't even supposed to be at that position. He was filling in for someone else who got hit by a pitch. He was ordinarily a catcher. But it is what Edgar did as a result of committing four errors, that is the reason for this Soapbox. In his book, he describes how he felt after those four errors. To say that he was downcast, would a galactic understatement. He went to a bookstore and headed for the self-help section hoping there would be some book that would aid him in thinking differently about what he had done. He may even have been thinking about a book that would help him never do that again. He writes about finding a "little pamphlet" that described self-talk, positive thinking, and visualization. He says that he carried that pamphlet with him for years then lost it in one of his moves.

He trained himself to alter his thinking from saying, "I'd better be careful and not make an error" to saying, "I am a good fielder and a good, solid hitter, and I know I can do this for myself and more importantly, for my team." He practiced the self-talk. He practiced visualization of seeing himself take a long stride and hitting the ball with authority. He practiced these upon rising in the morning, while driving to the field, while riding the bus to out of town games, and before he went to bed. It became his mantra. And he got better and better at it. It was a long slough, but it worked. Over his 18 years playing for the Mariners, he amassed a .311 overall batting average, brought in 1,261 RBIs, and walked 1,283 times. Pitchers learned to just to pitch around him because of his devastating hitting record. And all this happened because he learned to and practiced diligently positive self-talk, visualizing being successful, and never let the bad days or the bad games, rule his brain.

If all of us could simply practice those three items (not that they are easy, but they make such a difference), it is likely that we too could be successful at our chosen occupation. Do bad days or "games" happen? You bet they do; but do they need to govern our ongoing efforts? Not at all!

- Judy Clark, President



PLEASE FEEL FREE TO VISIT OUR WEBSITE:

WWW.HRANSWERS.COM