



We had some really hot weather this summer and now the holidays are coming! Sometimes it just seems like it is one thing after another. The world of HR is certainly no exception.

## The Minimum Wage

On July 1, there was an increase in the minimum wage to employees in certain unincorporated cities in Los Angeles County and the City of Los Angeles, but only for those employers with 26 or more employees. The details of this increase caused significant confusion for many employees in Los Angeles County.

The minimum wage issues in California are very hard to follow. Differences from the State minimum wage occur in certain municipalities and unincorporated areas, and is often based on the number of employees. Those employers with multiple sites or businesses often struggle with trying to determine

what counts.

When a local ordinance refers to employers with 26 or more employees, they are referring to the number of employees who perform any work within that city's legal boundaries. It is not based on your total number of employees.

When Los Angeles refers to anything to do with the city of Los Angeles and unincorporated areas of Los Angeles County, it refers to those within the legal limits of the city of Los Angeles. To find out if the city in which you do business is in an unincorporated city in



the county of Los Angeles, please check this site: <http://ceo.lacounty.gov/forms/Unincorp%20Alpha%20Web.pdf>.

Other city minimum wage requirements are also very hard to follow. The best resource to reference how your city is affected is: [http://www.epi.org/minimum-wage-tracker/#/min\\_wage/California](http://www.epi.org/minimum-wage-tracker/#/min_wage/California). Just click the State or city for specific information.

## 2018: California Employment Laws on the Horizon

by Shepard Mullin, Posted in California Legislative Update

Are you finally caught up on all of the new California laws taking effect in 2017? Then begin preparing for 2018 because the California legislature has been busy drafting

another set of employment related laws. Here is a sneak peak of some of the more notable proposals that may be coming down the pike. For now, these are only proposed laws that have neither passed the *continued on next page*



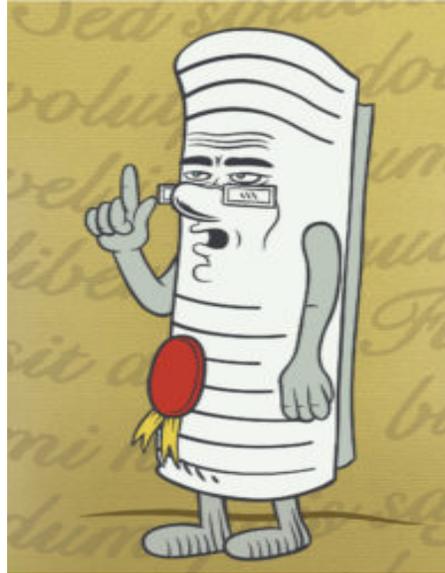
legislature nor been signed into law. If they do become laws, their substance may ultimately change substantially.

### **Opportunity to Work Act (AB 5)—Mandates Offering Additional Hours to Existing Employees Before Hiring New Employees**

AB 5, the “Opportunity to Work Act,” would require employers with more than 10 employees in California to offer additional hours of work to existing non-exempt employees before hiring additional employees or subcontractors. Employees would be allowed to either file a complaint with the Labor Commissioner or file their own civil action for which they would be entitled to attorneys’ fees. The bill also imposes notice posting and document retention requirements on employers.

### **Ban the Box (AB 1008)—Prohibits Asking Applicants About Criminal History**

Similar to Los Angeles’ recent “Fair Chance” Ordinance, AB 1008 would ban employers from asking a job applicant about his or her



criminal history. Employers would also be prohibited from considering, distributing or disseminating a background check with certain information, including an arrest without a conviction, an infraction, or a misdemeanor older than three years or felony older than seven years. An employer may inquire about or consider conviction history, but only after the applicant has received a conditional offer of employment. Similar to current EEOC guidance, if an employer intends to take adverse employment action due to a prior conviction, the employer must make an “individualized assessment” to determine if the criminal history has a “direct and adverse relationship with the specific duties of the job.” Applicants who are denied employment must be given the reason(s) in writing and the applicant must be provided an opportunity to challenge that decision. If the decision is challenged, the employer must consider the information submitted with the challenge and, only then,

provide written notice of a “final decision” on the applicant’s employment.

### **Expansion of CFRA Eligibility and Rights (SB 62)**

SB 62 seeks to expand employee leave rights under the California Family Rights Act (CFRA). The bill would change the definition of “child” to include independent, adult children, as well as children of a domestic partner. The bill would also expand the categories of people for whom leave can be taken, including grandparents, grandchildren, siblings, domestic partners, or parents in-law. Notably, the bill creates leave rights that are distinct from those available under the federal Family and Medical Leave



Act (FMLA). This means CFRA and FMLA leaves may not run concurrently, and employees could be entitled to a total of 24 weeks of leave instead of only 12 weeks.

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**Parental Leave Expansion (SB 63)—Parental Leave for Employers with 20-49 Employees**

Currently, under both CFRA and FMLA, employers with 50 or more employees in a 75-mile radius are obligated to offer up to 12 weeks of



parental leave for qualified employees to bond with a new child’s birth, adoption or foster care placement. SB 63, the “New Parental Leave Act,” seeks to extend such parental bonding rights to employees of small companies and will apply to employers with only 20 to 49 employees in a 75-mile radius.

**Voluntary Veterans’ Preference Employment Policy Act (AB 353 and AB 1477)**

The Voluntary Veterans’ Prefer-



ence Employment Policy Act, AB 353 and AB 1477, would allow employers to give preference for hiring or retaining veterans over other qualified applicants or employees. Any such employment decisions would be deemed to not violate

local or state equal opportunity laws or regulations, including the anti-discrimination provisions of the California Fair Employment and Housing Act (FEHA). While FEHA currently allows employers to give preference to veterans, the preference is only allowed for Vietnam War-era veterans and

with respect to decisions regarding the sex of an employee or applicant. This bill would expand an employer’s voluntary preference to all veterans and all categories of applicants and employees.

**Applicant Salary Information (AB 168)**

AB 168 would affect the application process in two major ways. First, it would prohibit employers from inquiring about an applicant’s salary history, including compensation and benefits. As currently drafted the law would prevent employers from contacting past employers as well as asking applicants about this information directly. Second, AB 168 would require employers to provide the pay scale for the position upon reasonable request by the applicant.

As evidenced by these proposed laws, California employers are required to constantly navigate the ever-changing legal landscape in this state. Accordingly, employers are encouraged to stay abreast of legislative updates and to consult experienced legal counsel and human resource experts with questions and concerns regarding the effect of and compliance with any new or existing laws.



# Employee Benefit Plan Changes for 2018: What the IRS increased

If you'd like to get a jump on next year's planning, the IRS just released the 2018 Healthcare Savings Account (HSA) contribution limits and High-Deductible Health Plans (HDHP) required deductibles and out-of-pocket limits. The IRS limits are based on cost-of-living adjustments.

## HSA limits

**Single.** The maximum an individual with self-only coverage in an HDHP can contribute to an HSA increases to \$3,450 (up \$50).

**Family.** The max HSA contribution for an individual with family coverage jumps to \$6,900 (up \$150).

## HDHP Limits

**Single.** The minimum deductible for self-only HDHP coverage will remain at \$1,350 (up \$50).

**Family.** The minimum deductible for family HDHP coverage stays at \$2,700 (up \$100).

## Out-of-pocket max

**Single.** The maximum amount an HDHP participant can pay out of pocket for self-only coverage (including deductibles, co-pays and co-insurance – but not premiums)



remains \$6,650 (up \$100).

**Family.** The max out-of-pocket cost an HDHP participant with a family plan can pay will jump to \$13,300 (up \$100).

The world of employment law in California requires diligence. We all

need to constantly keep an eye out for what is happening and be aware of what is coming down the pike. To best help you, we advise that you work closely with your HR and Benefits Consultants to insure you are in compliance and implementing Best Practices.

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