



H.R. UPDATE

October 2016



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401(k) Contribution Cap Is Unchanged in 2017

Employee 401(k) contributions for 2017 will remain at \$18,000 with an additional \$6,000 "catch-up" for those turning age 50 or older.

Social Security Payroll Tax Rate:

The maximum amount of earnings subject to the Social Security payroll Tax will increase 7.3 % to \$127,200 effective January 1, 2017. This amount is \$8,700 higher than the 2016 rate of \$118,500.

CA Fair Pay

This year, two new bills expand California's Fair Pay Act.

- SB 1063 prohibits an employer from paying any of its employees wage rates that are less than the rates paid to employees of another race or ethnicity for substantially similar work.
- AB 1676 specifies that, under the Fair Pay Act, prior salary cannot, by itself, justify any disparity in compensation. The law is intended to "help ensure that both employers and workers are able to negotiate and set salaries based on the requirements, expectations, and qualifications of the person and the job in question, rather than on an individual's prior earnings, which may reflect widespread, long-standing, gender-based wage disparities in the labor market."

All-Gender Restrooms

AB 1732 sets a new requirement that, beginning March 1, 2017, all single-user toilet facilities in any business establishment, place of public accommodation or government agency must be identified as "all-gender" toilet facilities.

Immigration-Related Protections

Employers are required by federal law to verify an employee's eligibility to work using the Form I-9 process. Under federal law, it is unlawful for employers to ask for more or different documentation than is required by the Form I-9, refuse to accept documents that appear genuine on their face or engage in other types of document abuse. SB 1001 makes this type of conduct unlawful under state law as well. Violators may be subject to a penalty of up to \$10,000.

Travel Time

Travel time and mileage reimbursement are two separate issues. An employer is obligated to compensate for time worked and reimburse an employee for any expenses incurred while performing work. With the exception of travel from home to work and back, most travel time is considered work time which must be paid, although pay for travel time may be at a rate of pay that is less than the employee's normal rate of pay.

Your HR Advisor:

If you have any questions about these regulations or need to change any of your current company policies based on these regulations, contact your consultant at HR Alternatives for advice and direction.

As the primary HR Consulting firm for small and mid-sized employers throughout Southern California our goal is to support the growth of your business and navigate the challenges that can prevent you from accomplishing your objectives. HR Alternatives has been solving workplace issues since 1993.