

CELEBRATING 23 YEARS OF SERVICE



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HAPPY NEW YEAR AND WELCOME TO 2008!

Since 1984, JorgensenHR has assisted thousands of organizations in over eighteen industries with support on an as-needed basis, project-by-project or with ongoing management consulting. And as we begin this New Year, we wish to say THANKS...

- For your continuing support and for the friendships that have grown throughout the years.
- For allowing us to provide services that enable you to sustain and grow your businesses.
- And for allowing us to be a part of your life and for choosing to be a part of ours.

Along with our wishes of health, happiness and prosperity to you and your family, we also want to share 2008 legislative and regulatory changes. And don't forget: if you have any questions about the information contained here, call JorgensenHR at (661) 600-2070.

LINDA HARRIS APPOINTED TO NAWBO-LA BOARD

We are pleased to announce that Linda Harris, owner and president of JorgensenHR, has been appointed to the Board of Directors for the Los Angeles chapter of the National Association of Women Business Owners (NAWBO). She was invited to join the board by current president, Laura Yamanaka, president of teamCFO, Inc. NAWBO is the only dues-

based national organization representing the interests of women entrepreneurs.

NEW I-9 FORM AVAILABLE

Be aware there is a new I-9 form that is the only valid form to use for employees hired after November 7, 2007. While there is a thirty-day grace period, use of any other I-9 form after December 26, 2007, will result in liability or fines. Contact the JorgensenHR offices at (661) 600-2070 if you need the new I-9 form.

SPOUSAL MILITARY LEAVE

On October 9, 2007 California Governor Arnold Schwarzenegger signed AB 392, to be effective immediately, requiring California employers with 25 or more employees to allow spouse's of military members up to 10 days of unpaid leave while the military member is home on leave from deployment. As a result, employers with 25 or more employees should modify their policies to reflect the availability of this new leave. Contact JorgensenHR today at (661) 600-2070 for assistance with developing this new policy.

Source: California Chamber of Commerce, HRCalifornia

IRS VEHICLE REIMBURSEMENT RATE

The Internal Revenue Service next year will raise the allowable vehicle reimbursement rate to 50.5 cents per mile, which is the highest rate in history. The increase is attributed to growth in the cost of fuel and other vehicle expenses and is up from the 2007 rate of 48.5 cents per mile and the 2006 rate of 44.5 cents per mile.

Source: www.btnmag.com/businesstravelnews/index.jsp
November 2007

MINIMUM WAGE REMINDER

Just a reminder: California minimum wage increases from \$7.50 to \$8.00 per hour effective January 1, 2008. This also increases the minimum salary for employees classified as Exempt to \$33,260 per year.

NO TALKING AND DRIVING

Effective July 1, 2008, hand-held cell phone use while driving will be illegal punishable by a fine of up to \$50 per violation. Hands-free devices are permitted. The new law does not apply to individuals using a cell phone to contact a law enforcement or public safety agency for emergency purposes, or to emergency services professional while operating an authorized emergency vehicle.

Source: California Chamber of Commerce, HRCalifornia

NEW LAWS EFFECTIVE JANUARY 1, 2008

As always the New Year ushers in a slew of new laws for the state of California. These laws are effective January 1, 2008, unless otherwise noted. (*Courtesy of California Chamber of Commerce, HRCalifornia*)

Social Security Numbers

Employers are prohibited from:

- Public posting or displaying of an individual's Social Security number.
- Printing an individual's Social Security number on any card required for the individual to access products or services provided by the person or entity.
- Requiring an individual to transmit his/her Social Security number on the Internet unless the connection is secure or the Social Security number is encrypted.
- Requiring an individual to use his/her Social Security number to access a Web site, unless a password, unique identification device, or unique personal identification number also is required to access the site. This may require a change in systems used to access or transmit personal, business, human resources or payroll information on the Internet.
- Printing an individual's Social Security number on any materials that are mailed to the individual, unless state or federal law requires the Social Security number to be on the document mailed.

Statement of Wage Deductions Required

At the time wages are paid, you must provide each employee an itemized statement, in writing, that contains the following information:

- Gross wages earned;
- Bonus/Commissions
- Total hours worked (except salaried exempt employees); showing any vacation, sick or holiday time used or charge
- Piece rate units and rate, if applicable;
- All deductions, including taxes, disability insurance, and health and welfare payments (deductions ordered by the employee may be aggregated and shown as one item);
- Net wages earned;
- The inclusive dates of the pay period;
- Name of the employee and employee ID or Social Security number (SSN), except that, by January 1, 2008, all employers will be required to print no more than the last four digits of an employee's Social Security number on check stubs or similar documents, or to substitute some other identifying number;
- Name and address of employer (legal entity);
- All applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee; and
- Piece rate units and applicable piece rate, if the employee is paid on a piece rate basis.

Intentional failure to provide this paycheck information entitles the employee to recover all actual damages or up to \$50 for the initial pay period in which a violation occurs and \$100 per employee for each violation in a subsequent pay period, up to a total of \$4,000, plus costs and reasonable attorney's fees.

If you do not provide the required statements to the employee in writing, or fail to keep the above records for the required three years, you are subject to civil penalties of \$250 per employee per violation for the first violation and \$1,000 per employee for each subsequent violation.

If you make a clerical error or inadvertent mistake on the first violation, the Labor Commissioner has discretionary power not to penalize you.

In situations involving cash wage payments, you must keep an indelible record

of these payments for at least three years at the place of employment. You must make these records available for inspection by the employee upon reasonable request to allow the employee to inspect and/or copy them.

Source: Chamber Labor Law Digest 2007

Earned Income Tax Credit – Required Employer Notification

California employers who are required to provide unemployment insurance must notify all employees that they may be eligible for the federal Earned Income Tax Credit (EITC) within one week before or after, or at the same time, the employer provides an annual wage summary including but not limited to a Form W-2 or Form 1099. Posting this notification on a bulletin board or sending it through office mail is insufficient: The notification must be handed directly to the employee or mailed to the employee's last known address.

Temporary Disability Payments

Under current law, an injured worker can receive 104 weeks of TD benefits. However, those benefits have to be paid within 104 weeks of the first date that temporary disability is paid. This law removes the requirement that the TD benefits be collected within two years of the first date that TD is paid. Instead injured workers are eligible for 104 weeks of temporary disability as long as those benefits are paid within five years of the date of injury. Benefits are still capped at 104 weeks, but the injured worker has a longer period of time in which to collect those benefits.

Pharmacists and Alternative Workweek

Resolves the inconsistency between Wage Orders 4 and 7 regarding alternative workweeks for pharmacists by clarifying that the terms and conditions of creating an alternative workweek are governed by Wage Order 4, including alternative workweeks that may be adopted by employees in the health care industry.

Civil Rights Act of 2007

The Unruh Civil Rights Act entitles all people in California to full and equal accommodations, advantages, facilities, privileges or services in all business establishments regardless of sex, race, color, religion, ancestry, national origin, disability, medical condition, marital status or

sexual orientation. This is an expansion of these protections.

Prohibited Discrimination in Public and Private Education

Revises the list of prohibited basis of discrimination to disability, gender, nationality, race or ethnicity, religion, sexual orientation, or any other characteristic contained in the Penal Code's definition of hate crimes. The bill changes all references from "handicap" in the Education Code to "disability."

Workers' Compensation

Authorizes the Labor Commission to systematically identify unlawfully insured employers and prioritize targets for the workers' compensation (WC) program in consideration of available resources. This bill requires the report to be posted on the Labor Commissioner's Web site. The funds will come from the WC revolving fund in the state treasury. The bill directs the Director of Employment Development to share information with the Labor Commissioner so she can more readily identify unlawfully insured employers.

Health Care and Whistleblower Protection

Prohibits a health care facility from discriminating or retaliating against any patient, employee, member of the facility's medical staff or any other health care worker of the facility because that person has (1) presented a grievance, complaint or report to an entity or agency responsible for accrediting or evaluating the facility or to any other governmental agency; or (2) has initiated, participated or cooperated in an investigation or administrative proceeding related to the quality of care, services or conditions at the facility.

Computer Professional Hourly Rate Lowered

The law exempts a computer professional from overtime requirements if the employee is primarily engaged in work that is intellectual or creative. The hourly minimum compensation has been lowered from \$41 to \$36. The rate for 2009 will be set by Oct. 1, 2008 by the Department of Industrial Relations.

Health Insurance Portability and Accountability Act (HIPAA)

Extends the Act's duration to July 1, 2010.