



# The Employer's ADVANTAGE

*Important News for Employers*

## September 2006 Newsletter

### EMPLOYMENT LAW DEVELOPMENTS

#### California Raises Minimum Wage

Governor Schwarzenegger signed a bill this week to raise California's minimum wage from \$6.75 per hour to \$7.50 per hour effective 1/1/07. The rate will then increase to \$8.00 per hour on 1/1/08. California now joins Massachusetts for having the highest minimum wage in the country.

**Employer Reminder:** This increase will require that new employment posters be posted on 1/1/07. Additionally, the minimum wage increase also impacts the minimum salary that an employee must be paid in order to qualify for exempt status under California law. In addition to meeting certain job function requirements, an exempt employee must be paid a salary of no less than twice minimum wage for the equivalent of full time work. In other words, the base salary requirement will go up from \$28,080 per year to \$31,200.

#### Federal EEO-1 Forms Due September 30th

If you are a private employer with more than 100 employees OR an affirmative action employer with more than 50 employees, you are required to file an EEO-1 form annually with the EEOC to report statistics about the breakdown of your workforce by race, sex, and national origin. Even if you did not receive a copy of the EEO-1 in the mail from the EEOC, you are required by law to submit the information by the deadline. If you need help with obtaining and/or completing this form, please contact us.

#### Federal Pension Protection Act of 2006

Signed into law by President Bush on August 17, this bill represents the most significant overhaul of the pension system in the US since 1974. Amongst other reforms, the Act changes the funding requirements for tax-qualified, defined-benefit pension plans and the premiums paid to the PBGC. Tax incentives for retirement savings

### RECRUITING CORNER

Are you currently looking to fill a position? If so, Vantaggio can help in a very cost efficient way. We offer recruiting services either on an hourly or a retained search basis. For more information, see our website at:

<http://www.vantaggiohr.com/recruiting.html>. If you want to conduct a search on your own, we can also provide ads on Monster.com at a significant discount. Call Amy or Chelle at 949-425-1262.

### VANTAGGIO NEWS

#### Vantaggio opens office in Hawaii

With offices in So. Cal, Atlanta, and Tampa, Vantaggio is pleased to announce that it has opened its 4th location in Maui, Hawaii. Our new office opened in February and is managed by long-time Maui resident, Susan Portabes, who comes to Vantaggio after spending 5 years in HR for Cheeseburger Restaurants and 17 years with First Hawaiian Bank. We are thrilled to already have clients on Maui, Oahu, and Kauai including some well known companies such as Cheeseburger Restaurants, TS Restaurants, Maui Clothing Company, etc.

**Planning a vacation to Maui or need some HR consulting while you're there?** Our sister company, Vantaggio Maui Realty, [www.VantaggioMauiRealty.com](http://www.VantaggioMauiRealty.com) has a beautiful, newly renovated 2 bedroom, 2 bath condo in downtown Lahaina on Maui that we rent out when we're not using it. Check out our website.



#### Vantaggio HR named Small Business of the Year by Senator Dick Ackerman

Vantaggio HR was recently selected as Small Business of the Year by Senate Majority Leader, Dick Ackerman (District #33). Lauraine Bifulco,

plans were also increased, and modifications were made to tax provisions relating to health care costs. To make sure you're up to speed on these changes, talk to your CPA, investment advisor, or retirement plan advisor. If you need a referral to someone in one of these fields, please give us a call.

#### **Final Regulations on HSAs from the IRS**

Finally, employers have some guidance that has been much needed. Employers are NOT required to contribute to the Health Savings Accounts it sets up for its employees. However, if an employer decides to contribute, it must make "comparable" contributions for all comparable participating employees – meaning all eligible employees who are in the same employment category and who have the same type (family vs. employee only) of high deductible coverage.

#### **Deductions from Exempt Employees' Pay and Use of Vacation/Sick Time**

The California DLSE has made a significant change in how employers are allowed to treat exempt employees with regards to Vacation and Sick time accruals and deductions for such absences from their pay and accrual banks. For more details, please see the article on our website at:

<http://www.vantaggiohr.com/articles.html> and/or attend Lauraine's seminar at this year's annual PIHRA conference. See below.

#### **Reasonable Accommodation under CA Law**

A CA Court of Appeal recently ruled that employers have a responsibility to engage in the "interactive process" for determining if a reasonable accommodation may be available not only with employees who are "actually" disabled, but also with employees who are "regarded as" having a disability. When a question of disability accommodation arises, please make sure to call your employment attorney or one of our Senior HR Consultants.

#### **Final Wages under CA Law**

A California Court of Appeal recently expanded the definition of "discharge" to include not only when an employee is fired, but also when "an employer releases an employee after completion of the specific job assignment or time duration for which the employee was hired." The decision requires that final wages thus be paid to such individuals at the time of "discharge" not at the next regular payroll processing date. This case has obvious major implications for employers who use temporary or on-call employees and for staffing agencies.

President, traveled to Sacramento to receive this prestigious award during the Salute to Small Business Day luncheon attended by over 80 California legislators.

## **HR TRAINING AND SEMINARS**

For a FREE GIFT, visit us at the PIHRA conference...

### **Professionals in Human Resources Association (PIHRA) 49th Annual Conference and Exhibition**

**WHEN:** September 20, 21, 22, 2005

**WHERE:** Long Beach Convention Center

Visit us and join in the celebration of our Hawaii office opening! See us at Booth # A-517 for a beautiful Hawaiian souvenir. PLUS, on September 22 from 1:15 pm – 2:15 pm hear Lauraine Bifulco speak on **Navigating the Exempt/Non-Exempt Maze** For more information on the PIHRA conference [click here](#). For either a free pass to the Exhibit Hall and/or a coupon for a discounted registration, please contact Cherelle Tye in our office 949-425-1262 ext. 7 or email [ctye@vantaggiohr.com](mailto:ctye@vantaggiohr.com)

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### **Hawaii Employment Law Panel Discussion**

**DATE:** September 27, 2006

**TIME:** 8:00 am - noon

**LOCATION:** Waialae Country Club, Oahu, Hawaii

**COST:** \$25 per person

**SPEAKERS:** Lauraine Bifulco, ADP Hawaii, and the Law Firm of Torkildson, Katz

**RSVP:** 1-808-596-9677 or [click here](#)

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### **Top 10 Ways Employers Get Sued**

**DATE:** October 12, 2006

**TIME:** 8:00 am - noon

**LOCATION:** Knott's Berry Farm Resort Hotel, Buena Park, CA

**COST:** FREE with prior RSVP, \$9.00 parking fee otherwise

**SPEAKERS:** Lauraine Bifulco, ADP California, and Pension and Benefit Insurance Services

**RSVP:** 714-562-2136 or [download flyer](#)

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### **Top 10 Ways Employers Get Sued**

**DATE:** October 13, 2006

**TIME:** 8:00 am - noon

**LOCATION:** Double Tree Hotel, Ontario, CA

**COST:** FREE

**No Smoking in Hawaii**

Effective November 16, 2006, smoking is prohibited in all enclosed or partially enclosed workplaces and areas open to the public.

**Hawaii joins California in Gender Identify Protection**

Recently, the HI legislature passed legislation prohibiting discrimination in housing and public accommodation on the basis of sexual orientation and gender identity or expression. At the current time, however, gender identity is not a protected category under Hawaii employment discrimination law as it is in California. This is an evolving area of the law that warrants employers paying careful attention.

**SPEAKERS:** Lauraine Bifulco, ADP California, and Pension and Benefit Insurance Services

**RSVP:** 714-562-2136 or [download flyer](#)

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**Sexual Harassment Training for Supervisors and Managers** (completion of training satisfies California law AB 1825)

**DATE:** October 24, 2006

**TIME:** 2:00 pm to 4:00 pm

**LOCATION:** The offices of Budget Blinds, 1927 N. Glassell St. Orange, CA 92865

**COST:** \$75 per person

**SPEAKER:** Lynda Dickey, Vantaggio HR, Ltd.

**RSVP:** 949-425-1262 or [click here](#)

Vantaggio HR is a full-service human resource and management consulting firm providing guidance to companies of all sizes across the U.S. Vantaggio's services include: HR Outsourcing, Labor Law Compliance (multi-state), Employee Handbooks, HR Hotline, On-Site HR Services, Performance Management, New Employer Set Up, New Hire Paperwork, Employment Posters, Discipline & Terminations, Training & Development, Sexual Harassment Programs, Recruiting, HR Audits, Compensation Planning, Employee Benefit & Retirement Plans, Payroll Administration, Bookkeeping Services, HRMS & Payroll Software Evaluation, Safety Programs, Affirmative Action Plans, Labor Commissioner Complaints, Expert Witness Testimony, Organizational Development, Merger & Acquisition Consulting. For more information call (949) 425-1262, email: [info@vantaggiohr.com](mailto:info@vantaggiohr.com) or visit us on the web at <http://www.VantaggioHR.com>.

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