

# Payrollnews

AUGUST 2017

## DOL Changes & the 2018 Budget Released

**W**ith DOL changes and the new administration's budget released, big changes could be coming for payroll. At **Data Management Payroll Services**, we keep our clients in-the-know.

### THE 2018 BUDGET

*The Budget of the United States Government, Fiscal Year 2018*, the President's budget proposal, has been released – and big changes for payroll and human resources may be coming soon.

### PAID Family Leave

A new state-designed, -managed, and -financed program would entitle new mothers and fathers, including parents adopting a child, up to six weeks of PAID family leave.

Employers won't assume the financial burden of this change because the Unemployment Insurance (UI) system would be funding the program. The budget also calls for UI reform.

Suggestions for UI reform include the reduction of improper payments, each state maintaining reserves in their unemployment trust fund accounts, and quickly assisting the unemployed in re-entering the workforce.

### Decreased Fed Spending

Some federal government agencies would see decreased spending, while the Social Security Administration (SSA) sees only a slight increase in their spending.

### SSA – DOT – DOL

A 0.3 percent spending increase is suggested for the Social Security Administration (SSA), while the budget calls for a 4.1 percent decrease for the Department of Treasury (DOT).

The largest spending cut targets the Department of Labor (DOL). The budget suggests a large spending decrease for the DOL at 19.8 percent.

Click this link to check out the entire *Budget of the United States Government, Fiscal Year 2018* at

<https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/budget/fy2018/budget.pdf>

### DOL CHANGES

Don't miss these DOL changes that affect the way you process your payroll. From employees to overtime (OT) rule changes, the new Secretary of Labor, Alexander Acosta, is making changes now.

### OT Rule Update

The revisions to the OT rule were released, delayed by temporary injunction, and most recently the DOL received two 60-day extensions in order to prepare and file their reply brief.

New administration suggests that the recent jump in salary threshold for overtime pay exemption (from \$23,660 to \$47,476 annually) was too much of a "shock to the system," and instead, they're adjusting the



existing 2004 salary threshold of \$33,000.

With experts speculating an amount somewhere between \$35,000 and \$38,000 per year instead, we'll keep you updated on any developments that occur.

The DOL is now filing a Request for Information (RFI) to gather information from the public, and following the RFI would be the proposed OT rule, and a new salary threshold.

### Guidance Withdrawn

The DOL has withdrawn the 2015 informal guidance regarding classifying workers as employees or contractors, and also the 2016 guidance on FLSA joint-employment relationships.

*continued on next page*

## DOL Changes...

*continued from front*

### Employee or Contractor?

Informal guidance on independent contractors, *Administrator's Interpretation No.2015-1*, has been withdrawn, which focused on the economic realities test.

The withdrawn guidance stated that most workers would be classified as employees, and not as independent contractors. Click the IRS source link below for the "common law rules" regarding classifying contractors.

### FLSA Liability

The Fair Labor Standards Act (FLSA) defined employer liabilities regarding jointly-employed employees – employed by two or more employers, and if they were covered under the FLSA's minimum wage and overtime pay provisions.

*The Administrator's Interpretation No. 2016-1*, guidance on whether joint-employment exists, and determining the employers' liability to comply with the FLSA's minimum wage and overtime provisions is now withdrawn.

Be sure to click the Source links for more details on the Budget, and information about the important DOL delays and withdrawn guidance.

These big changes can affect the way you process payroll, and at **DMPS**, we know it's important to stay in-the-know when it comes to the rules, provisions, and their constant changes!

We've got what it takes to process your payroll and keep you covered this summer ... check out our complete list of services and don't wait! Call us today.

#### Sources:

<https://www.hr360.com/Blogs/HrNewsAlerts.aspx?id=12704&blogid=839967> , <https://www.irs.gov/businesses/small-businesses-self-employed/independent-contractor-self-employed-or-employee> , and <https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/budget/fy2018/budget.pdf>.

## Working ... from Home?

"A record 2.6 percent of American employees now go to their jobs without ever leaving their houses."

Statistics show that telecommunicating is up 159 percent from the year 2000! Check out this link from Quartz about the ever-increasing trend of working from home.

<https://qz.com/952961/remote-work-more-americans-now-work-full-time-from-home-than-walk-and-bike-to-their-jobs/>

## *Dive into Summer with Services from DMPS!*

- ✓ Check Signing & Stuffing
- ✓ Data Transfers
- ✓ Direct Deposit / EFT
- ✓ Employee Earnings Records
- ✓ 401(k) Reporting
- ✓ FOC / Garnishments
- ✓ General Ledger
- ✓ HR – ACA Reporting
- ✓ HR – Applicant Tracking
- ✓ HR – On-Boarding
- ✓ HR – Personnel Records
- ✓ HR – Compliance Library
- ✓ HR – Employee Self-Service
- ✓ Online Payroll Processing
- ✓ Paperless Payroll
- ✓ Payroll Control™
- ✓ Tax Filing
- ✓ Time & Attendance
- ✓ Unemployment Claims
- ✓ Vacation / Sick Accruals
- ✓ W-2 Electronic Filing
- ✓ Workers' Comp Reporting

Through *Payroll News*, Data Management Payroll Services may provide general information on legal developments related to payroll administration. If such developments appear relevant to your specific situation, you should discuss them with your professional advisor before taking any action.