



Special Issue: Employment Law Update

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New Employment Laws For 2014



Tamara B. Pow, Esq.

There are a host of new employment laws that went into effect on January 1, 2014. Below is a list of some of the more widely applicable laws:

Antidiscrimination—

Title VII of the Civil Rights Act of 1965 has now been amended to include gender identity as a protected class.

Military and veteran status are also added to the list of classes protected against discrimination under the Fair Employment and Housing Act.

Harassment—SB 292 has been amended to state that sexual harassment does not need to be motivated by sexual desire. Therefore, hostile treatment can be considered sexual harassment regardless of whether the conduct was motivated by sexual desire.

Whistleblower—Whistleblower protection now includes protection when reporting potential violations of a local rule or regulation. It also protects employees who disclose information regarding alleged violations to superiors or co-workers who have the authority to investigate.

Wage and Hour—The Domestic Worker Bill of Rights has been enacted which provides for overtime pay for certain in-home employees. It is important for people to review the law to determine if this applies to them because there are specific definitions and exclusions.

Employers are now required to give employees a “recovery” period to prevent heat illness, in addition to already required meal and rest breaks. Employers who do not provide employees with a recovery period, face the same

A “recovery” period from heat illness is now required for employees.

premium penalties as those who do not provide meal and rest breaks.

Background Checks—Pursuant to SB 530, employers are prohibited from asking applicants to give information about a conviction that has been judicially expunged, sealed or dismissed.

See page 2 for new employee leave and benefit regulations.

For additional information regarding new employment laws for 2014, or if you need assistance updating your employee handbook, please contact our office at (408) 441-7500.

Success Story



Our client’s employee wrote a blog including comments about one of their customers and posted it on an industry site, causing our client to be fired from several engagements. When faced with termination, the employee threatened a wrongful termination lawsuit for various reasons. Structure Law Group was able to work with the employee and her attorney to prevent a lawsuit. In the end, the employee resigned and signed a severance agreement releasing all claims against our client, and our client was able to get back to business without the hassle or expense of defending a lawsuit.

New Employee Leave And Benefit Regulations For 2014

In addition to the new employment laws that were discussed on page 1, there are also several new leave policies that go into effect in 2014.

Time Off For Crime Victims (SB 288)—Crime victims are now allowed to be given time off from work to testify in certain crimes such as death, acts of violence, sexual assault, stalking and solicitation for murder. Victims include employee's spouse, parent, child, sibling or guardian.

Time Off For Stalking Victims (SB 400)—Stalking victims are now to be given time off to appear at legal proceedings and in the cases of employers with 25 or more employees, time off for medical and psychological treatment. SB 400 also adds a reasonable accommodation requirement for employers with employees who are victims of domestic violence, sexual assault or stalking.

Time Off For Emergency Duty (AB 11)—Employers with 50 or more employees are required to provide a temporary leave of absence up to 14 days per calendar year for reserve peace officers and emergency rescue personnel.

Paid Family Leave Benefits (SB770)—Beginning on July 1, 2014, Paid Family Leave will now include wage-replacement benefits for time taken off to care for a seriously ill grandparent, grandchild, sibling or parent-in-law. Please note that Paid Family Leave only provides wage replacement but does not create the right for the leave.

San Francisco Family Friendly Ordinance—San Francisco implemented a new Family Friendly Ordinance which requires covered employers with employees that work in San Francisco to consider requests from employees for "flexible or predictable working arrangements to assist with care giving responsibilities." Under this ordinance employees in San Francisco are also protected from adverse action based on caregiver status.



Tax Corner

Notice To IRS Of Change Of Address

As of January 1, 2014, any entity that has an employer identification number must use IRS Form 8822-B to inform the IRS of a change in mailing address, business location or responsible party. A responsible party is the person designated on the Company's EIN application and is considered to be "the person who has a level of control over, or entitlement to, the funds or assets in the entity that, as a practical matter, enables the individual, directly or indirectly, to control, manage, or direct the entity and the disposition of its funds and assets." The Form 8822-B can be found on the IRS website at www.irs.gov and must be filed within 60 days of the change.

Source: www.irs.gov

Higher Tax Rates for Upper-Income Individuals

Individuals with taxable income over \$400,000, married couples filing jointly with income over \$450,000 and heads of household with incomes over \$425,000 can expect to see an increase in their tax rate for 2013. The American Taxpayer



Relief Act raised the maximum federal rate for 2013 these individuals from 35% to 39.6%.

Itemized Deductions

Itemized deduction phase-out also starts in 2013. Individuals with an adjusted gross income of at least \$250,000, married couples filing jointly with an adjusted gross income of at least \$300,000 and those filing as head of household with an adjusted gross income of at least \$275,000 can expect to see decreases in the amount they can write-off for home mortgage interest, state, local income and property taxes, charitable donations and miscellaneous itemized deduction items. Personal and dependent exemptions will also start to be phased out for these individuals.

Mileage Rate

The Standard mileage rate for reimbursement is 56 cents per mile as of 2014 which is down 1/2 a cent from 2013.

[Source: *The Kiplinger Tax Letter*, Vol. 89, No. 1, January 3, 2014]

Some Memorable Words Added To The Dictionary In 2013



The start of a new year is not just the time to look at new laws but it is also a good time to look back at some words that were added to the dictionary and will now forever be a part of our language, for better or worse. Some of the more memorable ones include:

- **Bitcoin**—digital currency that allows transactions to be performed without a bank.
- **Braggadocious**—boastful or arrogant.
- **Clunker**—old and run-down vehicle or machine.
- **Defriend**—to unfriend someone.
- **Flash mob**—a large public gathering where seemingly unrelated people perform a random act or dance and then disperse.
- **Geekery**—obsessive interest in a usually unfashionable subject matter.
- **Hackerspace**—a place where people with a technology interest can meet to discuss technology related issues.
- **Live blog**—a blog that provides commentary on an event while the event is occurring.
- **Mochaccino**—a cappuccino flavored with chocolate.
- **Selfie**—a photo taken of oneself usually with the intention of uploading to a social media site.
- **Twerk**—dancing to popular music in a sexual manner. This usually involves hip-grinding. Miley Cyrus can be thanked for making twerking well known.
- **Veepstakes**—a competition among politicians to be chosen as the vice presidential candidate.

[Sources: www.oxforddictionaries.com, www.mental_floss.com, www.dailymail.uk.com]

Employment Corner

Minimum Wage Increase

The state minimum wage increased to \$9/hour on January 1, 2014. If you are a business in San Jose, the minimum wage has increased from \$10/hour to \$10.15/hour. In addition, the minimum wage in San Francisco has increased to \$10.74/hour.

Flex Spending Accounts

The IRS has announced that employers with Section 125 plans can drop the “use it or lose it” rules which require employees to forfeit any funds left in their flexible spending accounts at the end of the year. Employees can now carry over \$500 of their unused flexible spending account balances to the next year.

[Source: *The HR Specialist*, Vol. 11, No. 12, December 2013]



Reminders and Other Items of Note



Postage Rate Increases

Effective January 26, 2014, the following postage rates have increased:

- 1 oz. letters had a 3 cent increase up to 49 cents for a non-metered letter and 48 cents for a metered letter.
- Additional ounces on letters increased to 21 cents per oz.
- 1 oz. letters to international destinations are now \$1.15.
- Postcard prices increased from 33 cents to 34 cents.

For additional information visit www.usps.com.



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Dates To Remember

February 14 Valentine's Day
February 17 Presidents Day—courts and government offices closed
March 9 Daylight Savings Begins
March 17 St. Patrick's Day
March 20 First Day of Spring
April 1 Cesar Chavez Day (observed) some courts and government offices closed

Did You Know?

- The banana is the most widely eaten fruit in America.
- On average, Americans spend more time in their cars than they do on vacation.
- 25 U.S. Presidents were also lawyers.
- No piece of paper can be folded in half more than 7 times.
- 50% of the U.S. population watched the O.J. Simpson verdict on television.
- President Abraham Lincoln was born in Kentucky.



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