Pay Matters! March 2020

Welcome to the March 2020 edition of Viventium Pay Matters, our monthly roundup of all the payroll and compliance news that you must know to stay informed.

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IRS Releases New Form I-9

On January 31, the IRS released an updated version of Form I-9, Employment Eligibility Verification, which includes minor changes to the form and its instructions. The new form, which has a version date of 10/21/2019, is available for use immediately. The new version of the form must be used by employers on or after April 30, 2020, or employers may face potential penalties. Employers will not need to complete the new Form I-9 for current employees who already have a valid Form I-9 on file, unless re-verification applies. For the updated copy of the Form I-9 and instructions click here.

New Jersey Amends Wage Statement Law

Effective May 19, 2020, New Jersey employers with 10 or more employees must provide employees with a wage statement for each pay period that includes the following, in addition to any deductions made: (1) gross wages; (2) net wages; (3) rate of pay; and (4) if relevant to the wage calculation, the number of hours worked by the employee during the pay period. Prior to this law, employers only had to provide employees with a statement of all deductions made from the employee's wages for each pay period in which deductions were made. The wage statement can be provided electronically unless an employee requests it in paper format.

Penalties Now Operational for New Jersey Transit Law

As previously communicated, New Jersey employers with 20 or more employees are now required to offer pre-tax transportation fringe benefits to employees. This requirement was effective March 1, 2019 but was "inoperative" (no penalties could be assessed) until March 1, 2020. If you have not yet implemented a transit benefits program for your employees, then it is important that you do so as soon as possible to avoid penalties. Under the law, employers must provide pre-tax election transportation fringe benefits in the maximum amount allowed under federal law, currently $270 per month for transit and $270 per month for parking. All employees other than union employees must be offered benefits, which include:

1. commuter highway vehicle benefits
2. transit passes and
3. qualified parking

Note that employees are not required to elect these pre-tax deductions; the employer's obligation is to make the option *available*. Please reach out to your client services team for help in setting up pre-tax transit deductions for your employees. For more information please visit: https://www.njleg.state.nj.us/2018/Bills/AL19/38_.PDF

Minimum Wage Updates

City of Santa Fe, New Mexico Effective March 1, 2020, the minimum wage for employees working in the city of Santa Fe, NM will increase from $11.80 to $12.10 per hour. Tipped minimum wage will remain at $2.13 per hour. **Santa Fe County, New Mexico** Effective March 1, 2020, the minimum wage for employees working in Santa Fe County, NM will increase from $11.80 to $12.10 per hour. Tipped minimum wage will increase from $3.53 to $3.62 per hour. **Hayward, California** Effective July 1, 2020, minimum wage for employees working in Hayward, CA will increase as follows: Large employers with 26 or more employees: Minimum wage will increase from $13.00 to $15.00 per hour. Small employers with less than 26 employees: Minimum wage will increase from $12.00 to $14.00 per hour. **Half Moon Bay, California** Half Moon Bay, CA recently enacted a local minimum wage. Effective January 1, 2021, minimum wage for employees working in Half Moon Bay will be $15.00 per hour. **Vermont Overrides Governor's Veto of Minimum Wage Increase** Despite Governor Phil Scott's veto, after a legislative override, Vermont's minimum wage will rise to from $10.96 to $11.75 on January 1, 2021, and then to $12.55 on January 1, 2022.

This information is for educational purposes only, and not to provide specific legal advice. This may not reflect the most recent developments in the law and may not be applicable to a particular situation or jurisdiction.