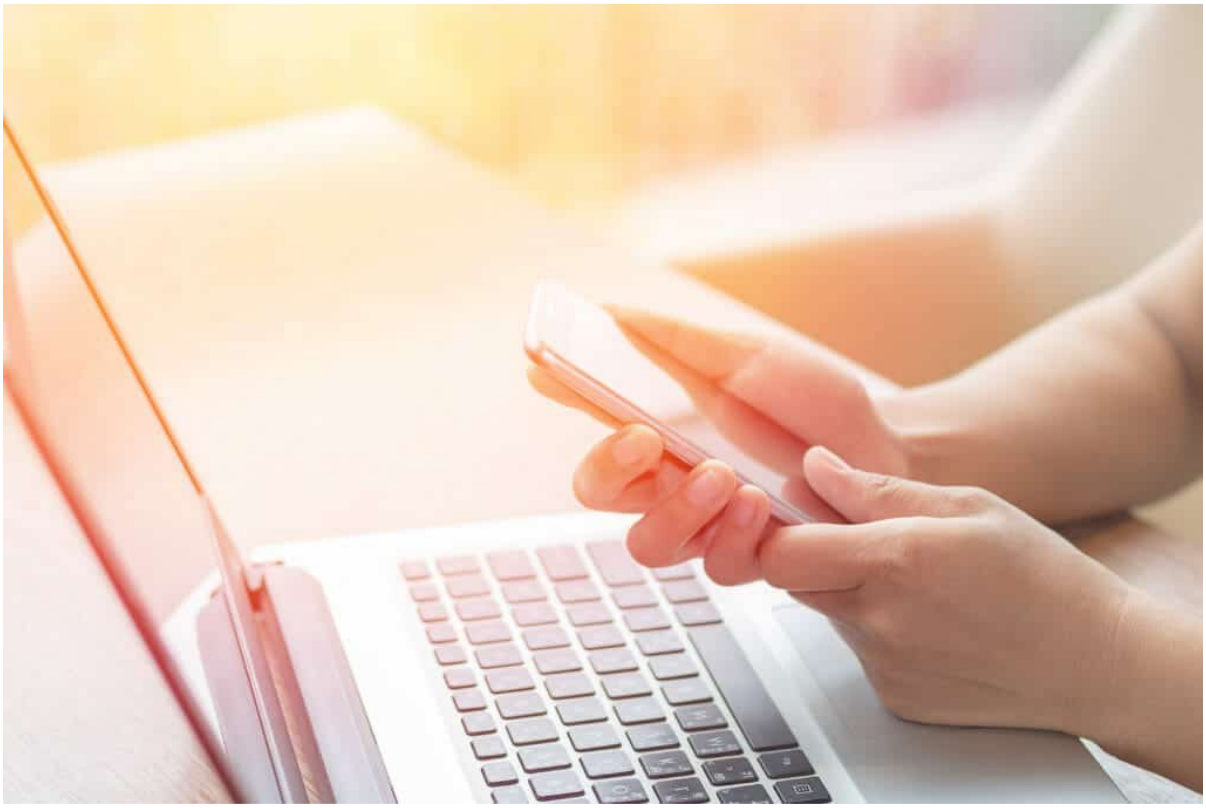
Pay Matters: Summer 2024

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IRS Announces 2025 HSA Limits

The IRS has announced increases to the 2025 HSA contribution limits for those covered under high deductible health plans (HDHPs), giving employers time to plan for the coming year.

The updated contribution and out-of-pocket limits are as follows:

Contribution and Out-of-Pocket Limits for Health Savings Accounts and High-Deductible Health Plans			
	2025	**2024**	**Change**
HSA contribution limit (employer and employee)	Self-only: $4,300 Family: $8,550	Self-only: $4,150 Family: $8,300	Self-only: +$150 Family: +$250
HSA catch-up contributions (age 55 or older)	$1,000	$1,000	No change
HDHP minimum deductibles	Self-only: $1,650 Family: $3,300	Self-only: $1,600 Family: $3,200	Self-only: +$50 Family: +$100
HDHP maximum out-of-pocket amounts (co-payments, deductibles, etc., but not premiums)	Self-only: $8,300 Family: $16,600	Self-only: $8,050 Family: $16,100	Self-only: +$250 Family: +$500

DOL Releases Final Overtime Rule

The U.S. Department of Labor has released its final rule increasing the salary level test threshold below which employees must be paid overtime. The chart below provides the current and future amounts that an employee must be paid to meet the salary level test as well as the new salary threshold for those who meet the highly compensated employee tests.

For more details, check out our webinar **FLSA Overtime Final Rule: Do You Know What to Do?**

Provision	**Current since January 1, 2020**	**Effective July 1, 2024**	**Effective January 1, 2025**
Threshold	$684/week ($35,568/year)	$844/week ($43,888/year)	$1,128/week ($58,656/year)
Highly compensated employees	$107,432/year	$132,964/year	$151,164/year
Future increases	“More regularly”	7/1/27 and every 3 years after	7/1/27 and every 3 years after

CMS Finalizes Minimum Staffing Rule

CMS (the Centers for Medicare and Medicaid Services) adopted new federal minimum staffing requirements for long-term care facilities.

The rule sets the following minimum staffing standards:

- A minimum of 3.48 hours of nursing care per resident day (HPRD);
- A minimum of 0.55 hours of RN and 2.45 hours of nurse aide (NA) care per resident day;
- A requirement for an RN to be onsite for direct care 24 hours a day, 7 days a week; and
- Expanded assessment requirements.

Compliance deadlines vary based on whether a facility is considered a rural or non-rural facility as follows:

Non-Rural

Phase	Within	Date	Requirement
1	90 days	August 8, 2024	Meet facility assessment requirements
2	2 years	May 11, 2026	Meet 3.48 total HPRD minimum AND 24/7 RN requirement
3	3 years	May 10, 2027	Meet 0.55 RN and 2.45 NA HPRD

Rural

Phase	Within	Date	Requirement
1	90 days	August 8, 2024	Meet facility assessment requirements
2	3 years	May 10, 2027	Meet 3.48 total HPRD minimum AND 24/7 RN requirement

3	5 years	May 10, 2029	Meet 0.55 RN and 2.45 NA HPRD

Though challenges to this rule are likely, long-term care facilities should prepare to comply with these new requirements and continue to stay up to date as this continues to develop.

New York 2025 Budget Brings Many Changes to New York Employers

The New York final budget for fiscal year 2025 brings with it many significant changes for New York employers.

Paid Prenatal Leave

New York has become the first state in the nation to mandate paid prenatal leave.

Effective January 1, 2025, New York employers must provide up to 20 hours of paid leave in a 52-week period for pregnant workers to attend prenatal medical appointments and procedures. Benefits are not accrued and must be made available to employees in their entirety at the time of hire.

The 20 hours of paid leave can be taken in hourly increments, and employees must be paid at their regular rate of pay.

More guidance is expected from New York State in the coming weeks and months.

End of COVID-19 Paid Sick Leave

New York's mandated COVID-19 Paid Sick Leave, which had been in effect since March 2020, will end as of July 1, 2025. Employers will no longer be required to pay out COVID-19 sick pay to their employees who are out on leave due to COVID-19. New York's state paid sick leave law remains unchanged.

Consolidation of CDPAP Providers

The NY 2025 budget significantly affects the state's Consumer Directed Personal Assistance Program (CDPAP). As of April 1, 2025, there will be a single Statewide Fiscal Intermediary (SFI), which will replace the existing approximately 700 FIs currently operating in New York. The SFI will subcontract with at least one entity per rate setting region to provide various aspects of FI services.

Both the SFIs and its selected subcontractors must meet specific criteria to be eligible to perform services. On Monday, June 17, the New York State Department of Health (DOH) issued its Request for Proposals (RFP) for the new single Statewide Fiscal Intermediary (SFI) contract.

The RFP contains the qualifications of the SFI and provides further details about subcontractors and the new structure of the program, including payment of subcontractors.

The selection of the single SFI will be done quickly, pursuant to the following calendar of events:

Event	Date
RFP issued	June 17, 2024
Deadline to submit written questions	July 2, 2024, 4:00 PM ET
DOH posts answers to written questions	July 19, 2024 (on or about)
Deadline to submit proposals	August 2, 2024, 4:00 PM ET
Anticipated contract start date for chosen SFI	October 1, 2024
Term of contract	5 years

Many questions remain unanswered, and details are unknown under this new structure. Further information and guidance are expected in the coming weeks and months and court challenges are expected.

NYC Releases Workers' Bill of Rights

NYC recently published its multilingual " Workers' Bill of Rights" poster, which directs workers to a web page containing information on their rights, including minimum wage, paid leave, commuter benefits, and other labor laws. The poster must be distributed to employees and new hires beginning on July 1, 2024. Employers must also post it in a conspicuous place in the workplace and through online systems regularly used to communicate with employees.

If you are not already a subscriber to one of our Compliance Update Services, please contact us so we can ensure all your Labor Law Posting requirements are met.

Maryland Expands Wage Statement Requirements and Adds New Hire Notice

Effective October 1, 2024, Maryland employers must provide additional details on wage statements as well as provide employees with a new hire notice.

Under current regulation, wage statements must include gross earnings and deductions. Under the new law, the wage statements must include:

- Employer's legal name, address, and telephone number;
- Payment date and pay period;
- For non-exempt employees, the number of hours worked during the pay period;
- Rates of pay;

- Gross and net pay earned during the pay period;
- Name and amount of all deductions;
- Any additional bases of pay, including bonuses and commissions; and
- For piece rate employees, applicable piece rates and number of pieces completed.

Employes will also be required to provide employees with a written notice upon hire of the employee's pay rate, regular pay day, and leave benefits.

Minnesota Changes Paid Sick and Safe Time Disclosure Requirements

Minnesota Governor Walz signed legislation amending the Minnesota Earned Sick and Safe Time Act (ESST) that went into effect January 1, 2024.

The amendments include changes to many items, including penalties, the definition of "employee," reasons for using ESST, increments of use, and more.

Included in the amendments is a change to the requirement to provide employees with their total ESST available for use and total ESST hours used on wage statements. Rather than requiring this information to be disclosed on a pay stub, the new amendment allows employers to choose a "reasonable system" to provide this information to their employees.

If you are a Viventium client, displaying paid leave information on wage statements is simple. If you wish to meet your disclosure requirements in this way, please reach out to your Client Support Team.

Connecticut Expands Its Paid Sick Leave Law

On May 21, 2024, Governor Lamont signed into law legislation expanding Connecticut's existing paid sick leave law.

Under the current law, employers with 50 or more Connecticut employees must provide up to 40 hours of paid sick leave annually to defined "service workers." Under the new legislation, paid sick leave requirements are expanded to practically all Connecticut private employers and cover virtually all employees.

The new requirements will be phased in over 3 years as follows:

- Beginning January 1, 2025, the law will apply to employers with 25 or more employees;
- Beginning January 1, 2026, the law will apply to employers with 11 or more employees; and
- Beginning January 1, 2027, the law will apply to employers with at least one employee.

The legislation also accelerates the paid sick leave accrual rate from the current 1 hour per 40 hours worked to 1 hour per 30 hours worked. The allowed accrual cap remains at 40 hours annually.

In addition, the qualifying reasons for which a worker can use paid sick leave and the definition of a family member for whom leave can be taken to care for have been expanded. The new legislation also eliminates the requirements for an employee to work 680 hours to be eligible to use paid sick leave and instead allows employees to begin using leave on their 120 th calendar day of employment.

If you are a Viventium client, please reach out to your Client Support Team to make changes to your paid leave accrual setup.

Vermont's New Child Care Contribution is Here

Effective July 1, 2024, all employers who remit Vermont income tax withholding will be subject to the Child Care Contribution (CCC). The CCC total contribution rate will be 0.44% payroll tax on all wages earned in Vermont. Of that rate, employers can withhold 25% from employee wages (0.11% rate) and pay the remaining 75% (0.33% rate) themselves. Employers must remit CCC payments in the same manner and frequency as VT income tax withholding.

For more information including state provided webinars for employers, click here.

Washington Enacts State Mandatory Retirement Program

Washington has become the latest state to enact legislation to create a state-run retirement program, Washington Saves, which will take effect July 1, 2027.

Under the program, Washington employers will be required to automatically enroll all covered employees in the Washington Saves program. Employees will be able to contribute a portion of their pay to an individual retirement account (IRA) on a pre-tax basis to save for retirement. Employees can choose to opt out or change their contribution rate at any time.

Washington employers should continue to monitor developments as the effective date nears and more details and guidance are released.

California Delays Health Care Minimum Wage Increase

Under Senate Bill 525, certain large health care facilities in California, including hospitals (but not state or tribal hospitals), licensed nursing facilities, and home health agencies, will be subject to a higher minimum wage requirement.

The first phase of increases was supposed to start June 1, 2024, but was delayed by one month to July 1, 2024.

The amount and timing of increases to minimum wage vary for different categories of health care facilities.

In general, large health care facilities with 10,000 or more full-time equivalent employees, dialysis clinics, and certain “large-county” facilities will be required to pay virtually all employees at a minimum of $23.00 per hour.

For rural hospitals, certain “small-county” facilities, and hospitals with elevated government payor mixes, minimum wage will be $18.00 per hour, while for certain clinics and all other covered health care facilities, minimum wage will be $21.00 per hour.

Rates will continue to increase for each category until they reach $25.00 per hour.

Health care employers should review SB 525 with their legal counsel to determine which category they fall under and pay their employees accordingly.

Minimum Wage Updates

The following chart details minimum wage increases that are effective July 1, 2024:

Locality	Minimum wage
Alameda, CA	$17.00
Emeryville, CA	$19.36
Fremont, CA	$17.30
San Francisco, CA	$18.67
Milpitas, CA	$17.70
Montgomery County, MD	$17.15 (51 or more EEs) $15.50 (11-50 EEs)
District of Columbia	$17.50
Nevada	$12.00
Oregon	$14.70
Bellington, WA	$17.28
Renton, WA	$20.29 (more than 500 EEs worldwide) $18.29 (15-500 EEs)

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.