

**YEAR END HUMAN RESOURCES CHECKLIST
2014 | 2015**



Year-end is fast approaching, and the HR Pros at the HR Support Center want to make sure employers are making a list and checking it twice!

This is the perfect time of year to ensure your organization is prepared for all the HR-related changes the New Year will bring.

1. Make Sure You are Prepared for the Affordable Care Act (ACA)

The Employer Mandate is here. This provision of the Affordable Care Act (or the “play or pay” provision) requires all employers with 50 or more full time equivalent employees (a.k.a. FTEs) to offer a certain level of health insurance coverage at an affordable rate to all FTEs or face a possible penalty. Large employers (100+ FTEs) who do not comply with the Employer Mandate may begin incurring Employer Mandate penalties in 2015. Midsized employers (50-99 FTEs) enjoy an additional year of reprieve in most cases. With the implementation of the Employer Mandate comes IRS reporting requirements. Be sure to check in the HR Support Center for helpful guidance and necessary forms.

2. Identify Workers Who Are Misclassified

Both the Department of Labor and the IRS have announced that addressing the issue of misclassified workers holds priority in their audit and enforcement activities. Employers are encouraged to take this very seriously and take immediate steps to identify and remedy any employee misclassifications. Now is the time to correct any misclassification of workers who are erroneously treated as independent contractors to avoid these penalties. To assist you with proper classification, check out the IRS Independent Contractor Checklist in your HR Support Center.

3. Evaluate Your Benefits Package

Employers should verify that their benefits package is not only compliant, but that it still meets the needs of the organization. Evaluate your insurance policy offerings, including disability, life and health policies to be sure they work for your organization. Additionally, verify that your health insurance complies with both the ACA and state requirements that apply to your organization. Several states have enacted legislation recognizing same-sex marriage and mandate that same-sex couples are offered the same benefits available to opposite-sex couples. Also, 2015 brings new Flexible Spending Account (FSA), Health Savings Account (HSA), and 401(k) account limits, so make sure you are aware of these adjustments. Finally, evaluate other benefits, like paid vacation leave and/or Paid Time Off (PTO), to ensure they remain aligned with the organization’s goals.

4. Make Sure Your Employee Handbook Is Up to Date

Has your employee handbook been reviewed by an HR Professional in the last year? If not, this is a great time to make sure all of your policies and practices are compliant and updated. Key legislative changes have been made in a handful of states including the states that now mandate paid sick leave.

5. Update Job Descriptions

An-up-to-date job description is critical for every position within your organization. Compliance with the Fair Labor Standards Act (FLSA), the Americans with Disabilities Act (ADA) and other legal requirements depend on effective and accurate job descriptions. Essential functions and the physical demands of the job included in the job description are a key indicator of not only of whether an employee is performing according to the organization’s standards, but also will prove useful when evaluating requests for accommodations under the ADA or managing leave of absence and workers’ compensation return to work issues.

6. Audit Your Personnel Files for Compliance

Your organization should ensure it is retaining appropriate records according to state and federal compliance regulations. Additionally, information stored in personnel files should not include certain protected information that must be separately stored. For example, any record that includes protected and/or non-job related information such as date of birth, marital status, dependent information, Social Security numbers, medical information, disability records, immigration status, national origin, race, gender, religion, sexual orientation, criminal history, financial history, subjective statements or accusations, etc., should be retained outside of the standard employee file.

7. Complete Annual Performance Evaluations

If you have not already done so this year, now is the time to complete performance evaluations for each of your employees. An effective performance evaluation will provide an accurate picture of each employee's job performance and will monitor and measure results and behaviors. Evaluations should integrate positive feedback for a job well done as well provide constructive feedback when improvement is needed. They may also outline training and development opportunities for improving upon job performance and ensuring that employee work plans support the strategic direction of the organization. Finally, performance evaluations provide legal documentation to demonstrate that the employer practiced due diligence if legal challenges related to adverse employment actions arise in the future.

8. Conduct a Compensation Analysis

Minimum wages have risen in several states, and your organization will need to ensure that these changes have been implemented in order to avoid any wage and hour claims. In addition, the federal companionship services exemption for certain household caretakers has substantially changed, so keep this in mind as many household workers will become overtime-eligible in 2015. You will also want to confirm that your key employees are receiving a competitive salary, or they may take the New Year as an opportunity to seek greener employment pastures. Once you have completed the wage analysis in comparison to your organization's compensation philosophy, you will be able to determine if any wage increases are warranted.

9. Make Sure Your Holiday Party is Inclusive and Compliant

According to the Society for Human Resource Management's recent survey, thirty-six percent of U.S. employers report worker misconduct at holiday parties. Employees might get too friendly with a colleague, employees may have a little too much to drink, exchange heated words or even participate in a physical altercation. Unfortunately, your organization could be liable for the inappropriate conduct of its employees in these situations.

10. Be Sure to Recognize Your Employees

Remember, employee morale (or lack thereof) directly affects your bottom line. Happy employees are more productive and more likely to stay longer. Communicate to your employees that you appreciate their hard work, and don't underestimate the power of positive recognition when it comes to employee morale and retention.

2015 will bring several new compliance hurdles to employers, but that doesn't mean your organization has to be unprepared for these changes. By adhering to the above steps, you can be sure that your organization is well on its way to meeting the challenges the New Year will bring. And remember that your HR Pros are here to help – sign up for HR On-Demand for guidance on the above topics or any other HR concerns you have!



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