

2021 Legislation Overview



Every year seems to bring with it a new round of legislation, and this year is no different. From new minimum wages and labor protections to COVID-19 related laws, business owners are facing an increasingly complex landscape.

The key to being successful and staying out of trouble in the new year relies on being informed about upcoming changes and how they impact your policies and procedures.



General business laws

The following are general laws that every business owner needs to be aware of in the upcoming year. Keep in mind, this is not an exhaustive list, and may not include all of the laws that apply to your state or industry. For this reason, it is important to use your local resources to understand changes in your area. To help you find official sources of information, we've included a list of resources at the end of this document.

Minimum Wage Laws

Multiple states have minimum wage increases scheduled for January 1 of 2021, unless otherwise noted. Some notable changes include Florida, which will see an annual minimum wage increase of \$10.00 an hour beginning in September 2021. This is part of a larger, six year plan to increase the minimum wage to \$15.00 per hour.

Download the complete list of [2021 Minimum Wage](#) changes here.

In California, employers with 25 employees or less must follow the [new minimum wage order of \\$13](#) and companies with 26 employees or more must pay \$14.

Additionally, these Californian city and counties have also imposed local minimum wage increases:

- Belmont: \$15.90
- Daly City: \$15.00
- Hayward: \$15.00
- Novato: \$15.00
- San Diego: \$14.00
- Santa Clara: \$15.65
- Santa Rosa: \$15.20

It's important to check with local resources for the final word on all updated legislation. You can also find the current minimum wages laws by state by visiting the [U.S. Department of Labor](#) or your state's labor website.

Paid Sick Leave Laws

Starting on January 1, 2021, Colorado employers with 16 or more employees will have to offer [paid sick leave](#), accrued up to 48 hours annually. In 2022, this new law will apply to all employers regardless of size.

Starting on January 1, 2021, Maine employers with 10 or more employees have to offer 40 hours of [Protected Time Off](#), per year, to its employees. The law allows employees to use this time off for any reason, including as vacation time.

Paid Family Leave Laws

Currently, eight states and the District of Columbia have similar state mandated paid family leave programs: California, Connecticut (effective 2022), District of Columbia, Massachusetts (effective 2021), New Jersey, New York, Oregon (effective 2023), Rhode Island, and Washington state.

Some notable family leave laws going into effect include, but are not limited to the following:

Colorado Proposition 118 (Paid Family and Medical Leave Insurance Program)

Colorado is joining the trend of offering a statewide program for paid family and medical leave. The leave is funded through employer and employee payroll taxes, which start in January 2023 with benefits payable starting in 2024. [Learn more](#)

New York Codes, Rules and Regulations Part 380 (Paid Family Leave New York State)

Effective January 1, 2021, eligible employees in New York may take 12 weeks of job-protected paid leave to bond with a newly adopted, foster or biological child, care for a seriously ill family member or assist loved ones if a military service member in the family goes on active duty. [Learn more](#)

Marijuana Legalization

Currently all but 6 states have some form of legalized marijuana, either medical or recreational. It's important to regularly check with local and state government sites for detailed information, including workplace testing limitations and guidances.

Additionally, you'll need to reexamine your organization's policies to be in line with what's required and allowed by your state. Depending on where you are, you may or may not be allowed to screen for, or use results of testing in your employment decisions.

Arizona, Montana and New Jersey: Each of these states passed laws legalizing recreational marijuana. These states each already allowed medical marijuana.

South Dakota: Legalized both recreational and medical marijuana.

Mississippi: Legalized medical marijuana only.

New laws specific to California

Businesses operating in the Golden State will want to be ready to comply with additional new laws going into effect in the new year. These include, but are not limited to the following pieces of legislation.

AB 685's (Infection Prevention Requirements)

Effective January 1, 2021, California employers will be required to notify employees, unions, and subcontractors within 1 business day of receiving notice of potential workplace exposures to Covid-19. Employers must provide written notice however employee communication is usually handled (e.g. written memo, email, intranet), so long as it is "anticipated to be received by the employee within one business day." [Read more](#)

Note: Additional states may have COVID-19 related legislation that impacts your business. Please visit your [state's health department](#) to learn more about local regulation.

AB 1512 (Mandatory On-Duty Rest Breaks for Unionized Security Officers)

Effective Sept 30, 2020, this bill permits employers to require unionized security officers to take on-duty rest breaks. This includes staying on premises, on call and carrying and monitoring communication equipment during breaks. It states that if a break is interrupted, it can be restarted as soon as practical.

AB 1867 (Supplemental COVID Sick Leave)

Effective immediately upon passing, this bill requires private employers with more than 500 employees to provide up to 80 hours of supplemental paid sick leave for COVID-19 purposes. Includes additional protections for food workers. [Read more](#)

AB 2017 (Kin Care Leave)

This amends existing law, Labor Code 233 and permits employees to use at least half of their annual accrual of employer-provided sick leave for “kin care” (family) reasons. Also states that it’s entirely up to the employee to designate leave for this purpose. [Read more](#)

AB 2143 (No Rehire/Settlement Agreements)

This bill changes the Code of Civil Procedure, section 1002.5, which prohibited “no rehire” provisions in some settlement agreements. Among other provisions, it requires an employer to continue to employ or rehire a person if there is a legitimate non-discriminatory or non-retaliatory reason for terminating the employment relationship or refusing to rehire the person. It does include some exceptions, such as if an employee was found to be engaged in criminal conduct. [Read more](#)

AB 2257 (*Dynamex* Exemptions)

This changes the test for what it takes to be classified as an independent contractor. The update changes and expands the list and categories of exemptions from the “*Dynamex*” independent contractor classification test. This is an update/revision/addition to [AB 5 which you can read more about](#) in this article.

AB 2765 (Public works/Prevailing wage law)

Effective January 1, 2021, this bill expands the definition of “public works” to include construction, alteration, demolition, installation or repair work done under private contract on a project for a charter school when the project is paid for with the proceeds of certain bonds. It’s an addition to 1720.8 of the current Labor Code.

Cal Savers (Mandatory retirement program)

This is a mandatory retirement program created by legislation in 2016. CalSavers has tiered registration deadline based on the number of employees a company has:

- Businesses with 50-plus employees – June 30, 2021
- Businesses with five-plus employees – June 30, 2022

Proposition 22 (App-Based Drivers as Contractors and Labor Policies Initiative)

This proposition keeps app based drivers, like UBER, Lyft and food delivery services, classified as independent contractors instead of employees. This essentially keeps this group of workers out from under the recently passed AB 5 so that they are still considered independent contractors. [Read more](#)

SB 973 (Employer Information Reports (EEO-1))

Employers required to file an EEO-1 report will be required to submit pay data to the California Department of Fair Housing and Employment (DFEH) by March 31, 2021. Impacted employers include private employers with 100+ employees as well as federal contractors with 50+ employees and at least \$50,000 in contracts. DFEH anticipates having a reporting system online before the deadline. [Read more](#)

SB 1159 (COVID Workers' Comp Coverage)

Effective immediately upon passing, this bill extended the presumption of workers' compensation coverage for COVID-19 illnesses for certain workers. This includes additional COVID-19-related reporting responsibilities for companies. [Read more](#)

SB 1383 (Expanded California Family Rights Act | CFRA)

The CFRA was significantly expanded to apply to all employers with 5+ employees effective January 1, 2021. Employers must provide California employees with up to 12-weeks of job-protected, unpaid leave for their own or a family member's serious health condition and/or baby bonding. The definition of family members for medical leave will include grandparents, grandchildren, siblings, and adult children.

As of January 1, 2021, employees may also take protected leave for military exigency leave. The previous requirement that an employee work at a location with 50+ employees within a 75-mile radius will also be eliminated.

This [chart](#) identifies the changes to the CFRA and comparisons to FMLA, which still applies to employers with 50+ employees. Due to these changes in the CFRA, it is possible that employers subject to FMLA may have employees eligible for up to 12 weeks of CFRA leave and an additional 12 weeks of FMLA leave.

Concerned about staying compliant?

Knowing the law is only half the battle, you must also follow new legislation as it applies to your organization. This isn't always easy, but the following tips can help you stay in the know and out of trouble.

1. Visit your state's Department of Labor website and official local government sites to stay informed on what's happening in your area. There may also be classes, webinars and other local resources that can help you better understand your legal obligations. The federal Department of Labor also provides a [comprehensive list of links to every state's labor-related resources](#). Bookmark it and make sure your team has it on their list of resources.
2. Consider appointing someone from each department to help everyone stay updated on legislation that impacts their area of focus. For instance, select a member of your payroll team and put them in charge of facilitating compliance continuing education. They will be responsible for helping everyone stay informed on new laws and making sure your processes comply. It's best to select a senior team member that has a good amount of experience.
3. Laws aren't set in stone, so your processes shouldn't be either. Revisit how you handle things several times a year, especially after new legislation has been passed. You'll want to look at things such as reporting requirements, how you handle employee data, how long you store records and your processes for onboarding and terminating employees. And keep in mind, often times it's the smaller administrative tasks that lead to compliance troubles. Take a look at [these common problems](#) and make sure your company is avoiding making costly mistakes.
4. If you're in doubt or have questions about how a law applies to you, get professional advice. Depending on the nature of the question, your payroll or benefits administration support service may be able to offer you guidance. You can also consult with a local attorney that specializes in labor law. Additionally, your state's labor board might be willing to answer your questions, but chances are high that you'll have a bit of a wait for a response.

Resources

Staying ahead of legislation is the first step to staying compliant and having a successful new year. To help you stay informed, we created this new legislation resource hub full of important information.

- [2021 New Laws Every Business Owner Needs to Know](#)
- [2021 New Laws Every Contractor Needs to Know](#)
- [2021 Market trends Presentation](#)
- [2021 Market trends Webinar Recording](#)
- [Local and regional U.S Department of Labor programs and services](#)
- Fair Labor Standards Act (FLSA) info: [U.S. DOL Wage & Hour Division](#)
- [Official minimum wage laws by state](#)
- [Stay legally compliant – A Small Business Administration guide](#)
- [CalSavers facts for Californian business owners](#)
- [Information about Family and Medical leave act](#)

While this list might seem comprehensive, these are only some of the new laws going into effect in 2021. Your state and city may have additional legislation in place for you to follow. This is why it's so important to make compliance a daily part of how you do business. Check local government sites, consult with professionals and actively work to stay compliant so that you can have a trouble-free new year!

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