

*Creating workplaces that work... for everyone*

## What's New in Labor Law? Here's What We Found Out for You!

The Labor Laws change constantly. And business owners are responsible for keeping track. At HR Compliance 101, we attend a yearly Labor Law seminar to help keep you informed and compliant. Here's what we found out this year. Call us for more details.

### **Paying Employees Legally**

Paychecks sound simple: the employee works, the employee gets paid. No work, no pay. The reality is a bit more complex. For example, if your employees are using the phrase "comp time" in your company—and they aren't working for a municipality—they're talking about illegal compensation. You can't give employees comp time instead of pay.

If employees leave company property during working hours to handle personal business, make sure they punch out. If they're away less than 20 minutes, you must pay them for the break. However, if they're in an accident while off your property, you want them off your clock. Otherwise, you have the potential for Workers' Compensation claims.

Make sure you know what you can legally withhold from your employees' paychecks. The list isn't long!

Companies in New Hampshire cannot mandate direct deposit of pay checks. If the employee wants direct deposit, the employee's own name must be on the account. If any pay card companies approach you, check them out first with the Department of Labor.

### **Hiring Employees Legally**

The forms required for new employees have changed; HR Compliance 101 will be making recommendations to all our clients.

Social Security has a free service: employers can check up to ten Social Security numbers at one time at no cost.

If you're hiring employees to deal with the public, especially with under-age children, spend \$15 on a criminal background check—the best \$15 you'll ever spend.

### **Avoiding Common Violations**

The second most frequent Labor Law violation is an incomplete or missing I-9 form. You must complete an I-9 form for any employee hired after 1987.

The third most frequent violation is misclassifying employees as independent contractors. HR Compliance 101 can give you the current poster explaining the law. That poster will change on January 1, 2008, and will list more criteria. (All posters are free. Beware of companies who charge for posters, a growing scam.)

Another frequent Labor Law violation (number 10 on the list) involves workers under 18; you must know and follow the Youth Labor Law. Fines can reach \$10,000 per violation. We'll help you understand your responsibilities.

### **FROM OUR CUSTOMERS**

"You need someone in Human Resources who is already well trained. I know Paula has taken all the courses and training and has a lot of practical experience at many large companies. And she is very diligent about keeping her training up to date. She knows her business."

TRISHA HILL, Office Manager,  
Microspec Corporation,  
Peterborough, NH

This newsletter refers to some of the regulations that may currently apply to small businesses.

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Paula Mathews

**HR Compliance 101, LLC**

P.O. Box 713

Fitzwilliam, NH 03447

E-mail: paula@hrcompliance101.com

Phone/Fax: 603-585-3139

[www.HRcompliance101.com](http://www.HRcompliance101.com)

## Compliance Alert

Your employees don't normally work on Saturday but you've asked them to come in briefly for a special meeting. As a result, you owe them each at least 2 hours of pay. You must pay 2 hours minimum on any given day that an employee reports to work at your request. There are two exceptions.

First, if an employee leaves in an hour or less (say, to handle a family emergency), you're required to pay only for that hour. But make sure the employee describes the reason for leaving on the time sheet and initials the sheet. That information will protect you during a Department of Labor audit.

Second, suppose you notify your employees that they're only needed at work for 1 hour. If you document the time thoroughly, you're required to pay employees for 1 hour only. But if they stay for 61 minutes, you must pay the full 2 hours. So document that schedule—and watch the clock!



## Workplace and Training Solutions

**Q.** I'm a small business with only one employee. Most rules and regulations don't apply to me, do they?

**A.** You're right: most rules and regulations don't apply to you. In most cases, you have to have five employees before Federal and State regulations kick in. However, with even one employee, you *must* post the required posters, cover your employee with Workers' Compensation insurance and document the employee's rate of pay in writing. Depending on what industry you're in, you may need Workers' Compensation insurance for yourself, based on recent changes to New Hampshire laws. Contact HR Compliance 101 for more details.

### FOR OUR CUSTOMERS

Make a good faith effort to define what radio or TV station your employees should listen to if work has been cancelled at your facility. If you don't and employees show up for work, you owe them a minimum of 2 hours' pay!