

OPTIMA OFFICE

THE OPTIMAL ACCOUNTING AND HR TEAM

HR COMPLIANCE CHECKLIST

Human Resources compliance helps businesses limit potential risk by properly handling various rules, laws and regulations. Below is a list of HR compliance items businesses should be monitoring and auditing. If you need assistance, contact Optima Office today.

- Employment Posters:** All mandatory federal, state & local employment law posters are up-to-date & displayed in conspicuous places where they are visible to all employees.
- Record-keeping Requirements:** All recruitment, employment verification eligibility (I9s), personnel, personal, payroll and benefits records are completed timely and securely stored based on record retention requirements.
- Employee Handbook:** Handbooks are current and comply with applicable federal, state and local rules and regulations.
- Employment At-Will:** Employees understand their employment is at-will and they can be dismissed by an employer for any reason, with or without "just cause" for termination, and without warning. Job applications, offer letters and employee handbooks should state an at-will employment clause.
- Employment Laws:** Federal, state and local employment laws are based on business size (Number of W2 employees). Handbook policies and procedures should be in compliance with applicable laws.
- Exemption Status:** A title does not automatically exempt an employees. Employee exemption classifications are determined by applying both federal and state wage and hour exemption tests. Non-exempt are typically eligible for overtime and meal & rest breaks.
- Employment Classifications:** Employees are clearly defined as either: full-time, part-time; regular, temporary, seasonal; exempt, non-exempt; union, non-union; on-call.
- Minimum Wage:** Employees minimum hourly rate is based on federal, state or local minimum wage and hour orders.
- Independent Contractors:** In California, independent contractors must be free to perform their work as they wish, must be in a different line of work from the company contracting with them, and must operate their own business. Independent contractors should sign a contract clearly stating scope of work, payment terms and required insurances.
- Harassment Training:** In California, businesses who employ 5 or more employees are required to provide supervisors with 2 hours, and employees with 1 hour, of harassment training every 2 years.
- Worker's Compensation:** Insurance provides coverage to employees that experience a work related injuries or loss. States determine the coverage requirements and coverage should always be based on position types.
- Group Benefit Program:** Summary Plan Descriptions (SPDs) are required for all Group Benefit offerings. Eligible employees should receive SPDs to review plan offerings and be allowed reasonable time to elect or decline coverage. Employers need to offer an annual Open Enrollment period.
- HIPAA:** HIPAA is not COBRA. Employee benefits & wellness plans provide portability and privacy rights to covered employees. Departing employees must be provided portability rights under HIPAA (i.e. Medical Plans, Life Insurance).
- COBRA:** Departing employees covered under a group healthcare plan must be offered continuation rights under COBRA.
- Section 125 Cafeteria and ERISA Plans:** Plans must annually meet the minimum plan design, notification, nondiscrimination and record-keeping requirements.
- ACA Shared Responsibility Provisions:** ACA requires ALEs (those with 50 or more full-time employees working at least 30 hours per week or their equivalents when adding together part-time hours) offer insurance to full-time employees that meets the ACA's specifications or pay a fine.