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Labor and Employment Compliance Bulletin



California Wage Theft Prevention Act imposes reporting requirements

California's Wage Theft Prevention Act of 2011 takes effect Jan. 1, 2012, creating detailed requirements for employers to notify new employees about pay rates, allowances, payday, and a number of other details. The law also requires employers to notify existing employees of any changes to the information within seven days.

The State Labor Commissioner has not issued detailed information about its plans for enforcing the new law, but civil penalties are possible.

Bottom line

You don't have to provide the notice to exempt employees. However, you may create additional complications if a misclassification issue arises. **The most cost-effective path to compliance may be to make these notifications a routine part of your onboarding process.**

To learn more about how TALX onboarding accommodates this need, please send an e-mail to pkrieshok@talx.com with "CA wage reporting" in the subject line. For a copy of the act, please [send an email to pkrieshok@talx.com](mailto:pkrieshok@talx.com) with "CA wage theft act" in the subject line.

Reporting requirements under California Wage Theft Prevention Act

- Rate of pay
- Allowances claimed as part of minimum wage, including meal or lodging allowances
- Payday
- Name of employer, including DBAs
- Physical address of main office and mailing address, if different
- Telephone number
- Name, address and phone number of workers' compensation insurer

Brown vetoes California pay card bill

On Oct. 9 California Governor Edmund "Jerry" Brown returned California Senate Bill 931 to the Legislature without his signature, [citing the bill's](#) "numerous and costly new requirements on pay card providers."

This is good news for California employers seeking to pursue a paperless pay agenda in the state. At first blush, SB 931 appeared to finally lend full authorization to employers in California to pay employees using the payroll card. However, SB 931 also imposed a litany of restrictions on the payroll card option.

Bottom line

Thanks to Governor Brown, payroll cards remain an important part of a paperless pay solution. To learn more about how you can combine payroll cards with online and IVR paystubs to reach 100% paperless pay in all fifty states, [please send an email to pkrieshok@talx.com](mailto:pkrieshok@talx.com) with "paperless pay nationwide" in the subject line.

Pennsylvania tax reporting requirements take effect

Pennsylvania's Act 32 takes effect Jan. 1, 2012, creating various new withholding requirements. The act requires employers to assess the tax collection rates for where each employee lives and where he or she works, and withdraw at the higher amount. It also divides the state into Tax Collection Districts, (TCD's), replacing the current system. Employers must file periodic returns and pay the amounts deducted to the TCD's within specified timeframes. **Employers must require employees to fill out a "Certificate of Residence," and retain a signed copy as they would retain a W-4.** If an employee changes his or her address, a new certificate must be completed.

Bottom line

Pennsylvania has added several steps to your withholding process. The TALX paperless pay service includes the new Certificate of Residence and will allow you to handle the process electronically. For a summary of the act, including a copy of the certificate, or to learn more about the TALX interactive state W-4 process, contact Pete Krieshok at 314-214-7325 or pkrieshok@talx.com.