

THE REA LETTER

Monthly Human Resources and Labor Relations Digest

President's Day

In observation of President's Day, our office will be closed on Monday, February 15, 2021. All of us at The Rea Company wish you a safe and happy holiday.

CalSavers – California's Retirement Savings Program

CalSavers is a Roth IRA retirement savings program implemented to assist private sector workers whose employers **do not** offer a retirement plan. Prior to the CalSavers program, private sector employers were not legally mandated to offer a retirement plan to their workforce. However, this changed when the program officially opened for registration July of 2019. Now employees who work for a CalSaver eligible employer are automatically enrolled within 30 days of notice unless they request to opt out of the program. The program is set up so that fees for participation in the program are paid by employees via deduction from the assets pulled directly from each Roth account. There are no employer fees to participate and the program does not allow employers to match employee contributions.

Eligible employers are required to comply with this mandate by the following deadlines:

- 100+ employees: September 30, 2020 – deadline passed
- More than 50 employees: June 30, 2021
- 5 or more employees: June 30, 2022

To fulfill the requirements of this mandate, eligible employers must do the following:

- Register for the program by visiting www.CalSavers.com

- Submit a census for all eligible employees, which must be provided within 30 days of registration in the CalSavers program. Employers are not required to contact employees regarding eligibility but should ensure that eligible employees receive an information packet sent to them by CalSavers.
- Process the correct payroll deduction for each enrolled employee and send employee contributions to CalSavers within 7 days of the deduction.
- CalSavers must be notified of newly eligible and terminated employees throughout the course of staffing changes.

Even though there is no fee to register, employers could face financial penalties ranging from \$250-\$500 per eligible employee for failing to comply with the CalSaver mandate to offer a qualified retirement savings option to those eligible. To avoid penalties, eligible employers can obtain a qualified retirement plan through the private market or should contact the CalSaver program to register as soon as possible.

Harassment Training & Social Distancing

California employers are required to provide harassment/bullying training to all personnel every two years or within 6 months following employment or assumption of a supervisory position.

The Rea Company has provided such training for years. However, with current COVID-19 issues, including self-distancing issues which prevent gathering of personnel in a manner that would

accommodate the training provided by our firm we have had to look for alternatives.

There are many on-line programs available, some with significant associated costs.

The State of California Department of Fair Employment and Housing (DFEH) has both a Supervisory and hourly presentation at **no cost**. Upon completion of either, the participant is issued a certificate of completion. Care must be undertaken by the Company to gather these certificates for future reference and documentation.

By utilizing the training provided by the DFEH employers will comply with the requirements of SB 1343. This requires California employers who employ 5 or more employees to provide at least 1 hour of interactive sexual harassment training to all non-supervisory employees and at least 2 hours of interactive sexual harassment training to all supervisory employees.

- All employees must be trained by January 1, 2020, and then every 2 years from the date they were trained.
- Non-supervisory positions must be trained within 6 months of acquiring the position.
- New supervisors must be trained within 6 months of being hired or becoming a supervisor.
- Seasonal or temporary employees who are hired to work for less than 6 months will need to complete training within 30 calendar days or within 100 hours of work, whichever occurs first.

Clients who have utilized the DFEH training have expressed satisfaction with the ease of use.

It should be noted that once a training session is started, it must be completed without interruption.

Training may be accessed by using the link: <https://www.dfeh.ca.gov/shpt/>

Remember, training for hourly personnel must be considered “paid time”.

Reminder: California Family Rights Act (CFRA) Expansion

SB 1383, which was signed by Governor Gavin Newsom on September 17, 2020 significantly expands the California Family Rights Act (CFRA). The CFRA expansion, took effect on January 1, 2021 and applies to a broader range of employers. It increases the reasons for which an employee can take CFRA leave and the family members who may be considered when CFRA leave is used. CFRA leave is unpaid; however, it does come with job protection, or return to work rights when used. Major changes along with considerations for covered employers are as follows:

Who is a Covered Employer?

Previously, the CFRA applied to employers with at least 50 employees. As of 01/01/2021, the CFRA applies to employers with 5 or more employees.

Who is Considered to be an Eligible Employee?

Previously, following three requirements needed to be satisfied for employees to qualify for CFRA leave:

1. have been employed for a total of at least 12 months at any time prior to the start of the leave,
2. have worked for the employer for at least 1,250 hours in the 12-month period prior to start of the leave, and
3. work at a location with 50 or more employees (20 or more employees, in the case of baby bonding under the NPLA, which will be repealed as of Jan. 1, 2021) within a 75-mile radius.

Effective 01/01/2021, the new CFRA eliminates requirement #3. This means that California employees at small worksites (including remote workers) will be eligible for CFRA leave so long as they have worked for the employer for at least 12 months and have worked at least 1,250 hours in the 12-month period prior to the leave.

Who is Considered to be a Family Member?

Previously, employees could utilize CFRA leave for their own serious health condition, as well as the serious health condition of a spouse, registered domestic partner, parent or child. On 01/01/2021, CFRA expanded this definition to include grandparents, grandchildren, and siblings. Covered employees are also able to take leave to care for a domestic partner's child and for a child with a serious health condition, regardless of the child's age.

Qualifying Reasons for CFRA Leave

Previously, the current qualifying reasons for CFRA leave were as follows:

1. the birth of a child of the employee or the placement of a child with an employee in connection with the adoption or foster care of the child by the employee.
2. to care for a child, parent, or spouse with a serious health condition; or
3. an employee's own serious health condition that makes the employee unable to perform the functions of the position of that employee, except for leave taken for disability on account of pregnancy, childbirth, or related medical conditions.

As of 01/01/2021, the expanded definition of family member is included in the qualifying reasons listed above. The CFRA also provides for a military exigency that includes 12 weeks of leave for reasons related to deployment or military activities of an employee's spouse, domestic partner, child or parent who is a member of the military.

Baby Bonding When Both Parents Work for the Same Employer

Previously, CFRA law provides for a combined 12 weeks of leave when both parents work for the same employer. As of 01/01/2021, each parent will be entitled to a full 12 weeks of baby bonding leave (24 weeks combined).

'Key Employee Exception'

Previously, CFRA provided for a key employee exception, which specified that an employer is not legally required to reinstate a salaried employee who is among the highest paid 10% of the employer's employees if certain requirements were met. On 01/01/2021, the key employee exception was eliminated.

Newly covered CFRA employers will need to familiarize themselves with the CFRA obligations and create new leave policies to coincide with the requirements. Those employers already subject to CFRA may need to review and revise current policy to comply with the new requirements. Please contact our office for assistance with review of the CFRA requirements and how they will apply to your organization.

CONSUMER PRICE INDEX

Consumer Price Index for All Urban Consumers, CPI-U.

The Los Angeles-Long Beach-Anaheim Consumer Price Index (not seasonally adjusted) for December 2020 was 279.560, a 0.2% decrease from November 2020, and a 1.5% increase over the last 12 months.

The United States City Average, Consumer Price Index (not seasonally adjusted) for December 2020 was 260.474, a 0.1% increase from November 2020 and a 1.4% increase over the last 12 months.

Los Angeles-Long Beach-Anaheim

December	2020	279.560
November	2020	280.102
December	2019	275.553

United States City Average

December	2020	260.474
November	2020	260.229
December	2019	256.974

Consumer Price Index for Urban Wage Earners & Clerical Workers, CPI-W.

The Los Angeles-Long Beach-Anaheim Consumer Price Index (not seasonally adjusted) for December 2020 was 270.167, a 0.2% decrease from November 2020 and a 1.5% increase in the last 12 months.

The United States City Average Consumer Price Index (not seasonally adjusted) for December 2020 was 254.081, a 0.1% increase from October 2020 and a 1.4% increase in the last 12 months.

Los Angeles-Long Beach-Anaheim

December	2020	270.167
November	2020	270.695
December	2019	266.274

United States City Average

December	2020	254.081
November	2020	253.826
December	2019	250.452

All Consumer Price Indexes are based on 1982-1984.

HUMAN RESOURCES PICTURE

California Employment

The California seasonally adjusted unemployment rate for December 2020 was 9.0%.

Los Angeles Employment

The Los Angeles seasonally adjusted unemployment rate increased over the month to 11.0% in December 2020 from a revised 10.9% in November 2020 and was above the rate of 4.3% one year ago.

National Employment

The unemployment rate was unchanged at 6.7% in December.

National Wage and Hours

Real average hourly earnings for all employees increased to 0.4% from November to December, seasonally adjusted. This stems from an increase of 0.8% in average hourly earnings combined with an increase of 0.4% in the CPI-U.

The Rea Company

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The Rea Company HR/Labor Relations Service:

Employee Guidebooks - Human Resources Review –
Collective Bargaining - Grievance and Arbitration
Processing - Union Avoidance - Sexual Harassment Training.



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The best expression of appreciation we can receive is an introduction by a satisfied client to a colleague or friend who may also benefit from our services.