**Archbright™**

**Insights Newsletter**

**September 2016**

**The 2016 Wage & Compensation Survey Report Is Now Available**

Archbright is proud to produce the most comprehensive wage and compensation survey in the Pacific Northwest. It includes all positions through the Director Level in:

* Corporate & Administration
* Engineering & IT
* Finance & Human Resources
* Sales/Marketing/Service
* Materials & Production
* Health Care & Social Services
* Education & Cultural Programs
* Non-Profit Management
* And more!

This year, there are 2 options to choose from:

* The 2016 Wage & Compensation Survey Report represents compensation for 40,900 employees in 452 organizations from across Washington State. After purchasing this report you will find the data from Non-Profit and For- Profit organizations have been compiled as break-out special reports for your convenience.
* The 2016 Non-Profit Special Report represents a subset of data limited to wage and compensation information from 168 self-identified non-profit participants. This can be purchased separately from the main survey.

Did you know? Members who participate in the survey receive the report for FREE. Members who did not participate may purchase the survey at 50% off the regular price.

To purchase this year’s report, visit the Surveys page at archbright.com.

Questions about how the data was obtained and the results were achieved? Email our Survey Team at regionalsurveys@archbright.com.

Questions about how to purchase or obtain the survey if you participated? Reach out to your Member Services Representative at info@archbright.com..

**So You Think an Individual is an Independent Contractor? Does Labor & Industries or Employment Security Agree With You?**

Recently Archbright has seen an increase in employers’ inquiries on classifying employees as independent contractors. Some employers mistakenly rely on rationales such as: it’s only a temporary job, this is how we “try out” potential new employees, “But they want to be an independent contractor,” or merely executing an “independent contractor agreement.”

There are several “tests” or factors employers must consider to determine if the worker is an employee or an independent contractor, such as the worker’s duties, degree of supervision, and income dependence of a worker.

The tests or factors have evolved through litigation in State and Federal Courts, the Internal Revenue Code and from state statutes enforced by the Washington departments of Labor and Industries and Employment Security Department; the Oregon Bureau of Labor and Industries, and the Idaho Industrial Commission. Oddly enough, a worker could be an independent contractor under one test yet not qualify under state laws. This type of worker is typically flagged in an administrative audit and an employer may end up owing back payments for workers’ compensation insurance or unemployment insurance.

All the factors listed below must exist for independent contractor status; otherwise a worker is an employee entitled to employer paid workers compensation and unemployment insurance payments. Depending on the industry and position analysis, of all factors may require legal advice.

**The first is the “economic realities test.”** Does the person receive most, if not all, their compensation from your company? Are you the only “customer” they have?

**Do they hire and fire their own employees?**

**Are they free from your supervision, direction, or control?** You cannot supervise how the work is done.

**Are they bringing specialized or costly equipment?** For example, an earthmoving machine to clear a site. Not considered specialized or costly equipment are items such as chain saws, laptops, nail guns, or power tools.

**Is the individual’s business different and separate from your own?** Contracting with a janitorial service after hours to clean your office would qualify. Paying your receptionist as an independent contractor to clean your office after hours would not.

**Does the individual have an established independent business that existed before you brought them on OR does the individual have a principal place of business that qualifies for an IRS business deduction?** What evidence (besides their word) do you have to prove either of these points? For example, customer lists or a copy of their office rental agreement.

**Is the individual’s service being performed away from where you perform your services?** An example would be sending a piece of equipment off-site for repair.

**Is the individual obligated to pay costs affiliated with the location from where the work is controlled?** Can the individual produce receipts of a financial obligation for their place of business (i.e. rent receipts or records showing the costs from their home office)?

**Does the individual maintain his/her own set of books and records that reflect all income and expenses of the business?**

**Is the individual responsible for filing a schedule of expenses with the IRS as part of a business tax return?**

**Does the individual have all required registrations and licenses for their business?**

And finally, if you are hiring someone to paint your facility, stripe the parking lot, or wash the windows; **does the individual have all required registrations and licenses for their business?**

Failure to correctly classify individuals as an employee will lead to back taxes and additional penalties and fines. This is an area of targeted and heightened enforcement by state and federal agencies.

We suggest reviewing any individual or company you are paying on a 1099 to ensure they are correctly classified. If you need assistance, please call Archbright at 206.329.1120 or 509.381.1635.

**Source:** Katherine Kummerow, Senior HR Professional at Archbright

**Expect Political Fireworks on the Job This Year**

With a political season exploding unlike any witnessed in recent memory, most employers can expect strong polarizing views popping up at work. Here are some guidelines when it comes to handling heated political conversations in the workplace:

1. Employees have no constitutional rights to free speech when working for private employers. The employer has the right to prohibit purely political discussions altogether, just like they do for any other inappropriate discourse at work.
2. Prohibitions can include the posting of political signs or slogans, wearing political pins, hats or other paraphernalia, or tuning into political radio commentators.
3. Employees do have the right to engage in political activities outside of work hours.
4. Although political ideology is not a protected status under Washington, Idaho, Oregon, or Federal law, it is a protected status under some municipalities such as the City of Seattle. Thus, ensure restrictions on political talk in the workplace apply across all parties, views, and employees to avoid a claim of discrimination.
5. The National Labor Relations Board (NLRB), the federal agency that enforces the NLRA, has long recognized that all non-supervisory employees, both union and non-union, have the right to engage in concerted communications about such matters as pay, benefits, and workplace safety as long as they do so in a lawful and proper manner. Therefore, employees’ statements and actions concerning political issues or events may be protected by the NLRA if there is a sufficient connection to the workplace or to employees’ terms and conditions of employment; for example: wearing a T-shirt boasting “She’ll Raise the Minimum Wage,” or wearing a T-shirt asking co-workers to “Support Workers’ Rights.”
6. Employers lawfully may restrict workplace communications and activities that are purely political in nature. This would include, for example, simply endorsing a candidate for office, such as a “Vote for Smith” poster or campaign button.

To ensure work cohesion, employers should publish a memo or rules outlining expectations on political talk at work and train management to:

1. Stay neutral and not show any form of partisanship.
2. Intervene immediately when discussions get heated or veer off course into sensitive topics, such as race, gender, religion, age, color, national origin, sexual orientation, marital or military status, or disability.
3. Step in and refocus attention to the work at hand when employees spend too much time debating political viewpoints.
4. Intervene when criticism or gloating occurs concerning politics.

**Source:** Jo Powers, Director of HR Strategies & Practices at Archbright

**Revised Minimum Wage Poster Must be Displayed August 1**

The Labor Department has revised its minimum wage poster. As of August 1, 2016, employers must post the revised version. A pdf of the revised poster is available on the Wage and Hour Division’s (WHD) website [www.dol.gov/whd/ resources/posters.htm]. Print copies will soon be available for order. A Spanish language version is also available.

All employers with employees covered under the FLSA’s minimum wage provisions must post, and keep posted, a notice explaining the FLSA in a conspicuous place in each of their establishments in a manner that permit employees to

readily read it. The content of the notice is prescribed by the WHD. The division makes available an approved copy of the minimum wage poster for informational purposes or for employers to use as posters.

**Source:** CCH

**Introducing The Management Academy,** Archbright’s 3-month leadership development program where you will learn from:

* Six in-person classes with the same instructor
* Peer check-ins with a consistent group
* On-the-job application assignments
* One on-demand prerequisite course
* Short online reinforcement activities

The Management Academy begins September 13, it starts at 7 am, so you can beat the traffic, and be back to work by lunch!

Contact your Member Services Representative, Anna Muller at 206.664.7222 or amuller@archbright.com, to register today.

**Let’s Go for a Dive: The Waterline Model—A Lens for Systems Thinking**

Organization development specialists talk about “systems” and “interventions.” But what does that mean on a practical level?

How does one work with a system that is made up of individuals—some of whom definitely appear to be the source of workplace problems? Yet when the same issues continue to show up and teams and organizations falter, perhaps it isn’t specific individuals after all. A useful lens to determine where to intervene in a system is the Waterline Model, developed by Harrison, Scherer, and Short.

To begin, the model divides group activities into two categories: task and maintenance. Task activities comprise the work people expect to do: run the production line; write the code; care for the patient, etc. Maintenance is about the human dynamics. This is the work that goes on “under the waterline” such as gate keeping, harmonizing, setting standards, expressing emotions, giving and receiving feedback. When a group isn’t making good progress on the task, and dysfunctional behavior, conflict and low morale are evident, the Waterline Model leads us through a series of “diagnostic” steps, starting shallow and going deep, to determine actions that will make the most impact.

**1st Level: Structure (Roles & Goals)**

When problems arise, the Waterline Model tells us first to look at the structure of the group with respect to the task. Are the goals of the task clear to everyone? Are individuals’ roles in the task clear to them and others? It is not uncommon to have unclear goals, or goals that are clear to a leader but not to the rest of the group. An effective approach at this level of the system is to work with the group and leader to refine goals and clarify roles and responsibilities.

**2nd Level: Group (Dynamics & Development)**

If structure has been clarified, but there is still a problem, the Waterline Model tells us to look next at group dynamics. Perhaps the leader is unclear about how they are making decisions or the group has not yet developed consistent norms for working together. Operating at this level, team development and establishment of standards for interactions and decisions can boost the group’s performance.

**3rd Level: Interpersonal (Between Two People)**

Even after structure and group issues have been attended to, problems may still bubble up. Now it’s time to look a little deeper, into interpersonal dynamics. Perhaps there are two people in the group with a communication gap or a history of conflict. At this level, the best technique is to work with just the individuals involved, for example using third-party mediation to help them find ways of working effectively together.

**4th Level: Intra-Personal (Within an Individual)**

The deepest and final level under the waterline is to look at an individual. Perhaps there are issues outside of work draining the person’s ability to contribute. Perhaps there is a skill gap. At this deepest level, individual coaching or training may turn things around. It might also be the case that the individual is in the wrong role.

Yes, sometimes individuals are the problem, but often individual behavior is symptomatic of structure or group issues unresolved at shallower levels of the system. By starting at the shallowest level under the waterline and clearing up any issues before we proceed deeper, we can eliminate the majority of impediments to performance. Then, if necessary, actions we take at the interpersonal and intra-personal levels are much more effective.

**Source:** Diane Moore, SPHR, Senior Learning & Development Consultant at Archbright

**The 2016 Archbright Benefits & Policies Trends Survey Is Now Open for Participation**

This newly redesigned and enhanced Archbright survey examines 5 targeted topics of practices and trends related to benefits and policies in the region, including:

* Health & Welfare Benefits
* General Compensation Trends
* Time-Off
* Holiday
* And more

**Did you know?** Non-profits are now invited to participate in the Benefits & Policies Trends Survey as well! In addition to the full report, a special Non-Profit Report will be produced in October for qualifying organizations.

Archbright members who participate receive the survey report for FREE in October. Non- member participants receive the survey report at 50% off the regular price!

**Is Your Job Negatively Impacting Your Health?**

A recent survey of U.S. workers from Harvard T.H. Chan School of Public Health shows that 16% of workers believe their job is having a negative impact on their health – with stress topping the list.

Employees most likely to report that work had a negative effect on their health were people with disabilities (35%), those in hazardous jobs (27%), low-wage earners (26%), retail workers (26%), and workers who work at least 50 hours per week (25%).

Stress was the most frequent identified negative impact, at 43%, followed by eating habits (28%), sleep (27%), and weight (22%).

Other findings:

* 43% of construction or outdoor workers, 34% of medical workers, and 30% of factory workers said their jobs negatively impact their health.
* 51% of respondents said their employer had a wellness program, but only 20% participate in it.
* 55% always or usually work when they have a cold or the flu, including 60% of medical workers, and 50% of restaurant workers.

“The takeaway here is that job number one for U.S. employers is to reduce stress in the workplace,” Robert J. Blendon, survey leader and Richard L. Menschel Professor of Health Policy and Political Analysis at the Harvard T.H. Chan School of Public Health, said in a press release.

For more information or for general safety questions, contact us at 206.329.1120, 509.381.1635, or info@archbright.com.

**New L&I Rules About Workers’ Compensation Coverage for Volunteers**

Effective June 9, the legislature added a reporting option for employers covering volunteers for workers’ compensation coverage:

* This allows employers to elect workers’ comp medical coverage to more student volunteers.
* The law also allows employers to cap reporting for all volunteers, including student volunteers, at 100 hours per calendar year per individual, instead of actual hours worked.

The law benefits businesses that partner with public and private K-12 schools, higher education facilities to create internships, and on-the- job training opportunities. In addition, private colleges can now elect coverage for their own volunteers. Past law limited coverage to public and nonprofit entities and their student volunteers.

**Monthly Webinar**

**Archbright’s 8 Elements of an Effective Safety Program Series**

**Element #7 - Training**

**Thursday, September 15 2:15 p.m.**

Topics we will cover in Element #7 in our series:

* New Hire Safety Orientation
* Effective Training Practices
* Compliance Requirements
* Documentation

This monthly webinar is complimentary for all members of our Workers’ Compensation and Retrospective Rating Programs. Attendees will receive an email approximately one

week before the webinar with participation and login information. For questions or more information on our webinar training, please contact safety@archbright.com.

For those not enrolled in our Workers’ Compensation or Retrospective Rating Programs, there is a $49.95 fee. Please contact info@archbright.com for registration information.

“Successful change comes from focusing on building the new, not fighting the old.”

**Did You Know?**

The 65th Annual Governor’s Industrial Safety & Health Conference will be held at the Spokane Convention Center September 28 & 29, 2016.

To register, and for detailed information on workshop times and descriptions, please visit the Governor’s conference website at www.wagovconf.org.

**Please Notify Us of Staff Changes.** Please take a moment to contact us to correct any staffing changes for your organization, including email addresses. Email us at info@archbright.com.

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We welcome your comments and suggestions.

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