**Archbright™**

**Insights Newsletter**

**September 2018**

**The 2018 Wage & Compensation Survey Is Now Available**

Archbright is proud to produce one of the largest and most comprehensive wage and compensation surveys in our region. Our survey jobs are structured to reflect job families and career leveling with a unique job coding system that facilitates market pay analysis, strategy, and program development.

This year there are two options to choose from:

* The 2018 Wage & Compensation Survey Report is a comprehensive benchmark set of over 500 jobs covering the full spectrum of an organizational functions and industries for 33,610 employees in 365 organizations. After purchasing this report, you will also receive special reports for non-profit and for-profit data.
* The 2018 Non-Profit Special Report represents a subset of data limited to wage and compensation information from 163 self-identified non-profit participants. This can be purchased separately from the full report.

Participation was open to both Archbright members and organizations outside of our membership. Members who participated in the survey receive the report for free. Members who did not participate in the survey receive a discount on the survey based on their membership level.

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

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

Questions about how to purchase the survey? Please contact member services at info@archbright.com.

**Washington State’s average annual wage grew by 5% in 2017**

I know you all must be feeling it. Wage growth is on the upswing. The Employment Security Department reported recently that the average wage grew in Washington State by 5% but that earnings overall grew by 7.7% in 2017. This growth represents the largest year over year growth since 2007.

With the unemployment rate sitting around 4.6% (3.6% in Seattle and 6.4% in Spokane) and this trend toward wage increases, there’s going to be (read IS) higher pressure on employers when it comes to compensation! In fact, all 13 major industry groups saw job growth but one (government) in 2017.

Our own Wage and Compensation Survey showed there does seem to be a variance in what our member companies are doing and what the state is reporting on whole (our 365 reporting members showed a mean of almost 4% growth in 2017, with many reporting little to no growth). This could put you at a greater risking of losing the talent wars that are looming!

So what steps can you take? Do a market pricing assessment of all your jobs and make adjustments now… then plan to do it again in early 2019. Budgeting cycles come due in the next few months, so you will need to move quickly to ensure you are ready for the inevitable.

Go to www.archbright.com to purchase the Archbright Wage & Compensation Survey as you plan for 2019, or call your Account Executive for all the ways we might be able to help you recruit and retain the talent you need!

**Tri-Cities CoffeeTalk: Marijuana & Other Drugs in the Workplace**

It is becoming increasingly important for employers to understand and keep pace with evolving changes in State law governing the use of marijuana. Marijuana remains illegal under federal law, however, and strictly speaking, federal law preempts state law. In this climate, employers in Washington where legal marijuana use has been expanded need to be aware of the interplay among marijuana and employment laws and make some tough policy calls, proactively.

In this CoffeeTalk, Erin Jacobson, Staff Counsel at Archbright, will cover federal and state laws governing marijuana possession and use, workplace issues raised by the legalization of marijuana, testing methods, and employer policy considerations.

When: September 26th | 9:00 am to 10:30 am (8:30 Check-in Begins; 9:00 am Program)

Where: Tri-City Construction Council 20 E. Kennewick Ave. | Kennewick, WA

Cost: FREE | a continental breakfast will be served

Registration is now open at Archbright.com.

**60% of employees are stressed out at work due to uncivil behavior.\***

People are the largest investment for any organization. When there is bad behavior in the workplace, it puts employee morale, safety, quality, productivity, and compliance at risk.

**Archbright University presents two new classes to protect your organization and your workforce.**

Registration is now open for:

**Civil Treatment for Employees**

Civil Treatment for Employees provides individuals with the skills and insights required to enhance engagement, inclusion, productivity, and professionalism.

By focusing on day-to-day workplace behaviors along with the law, the course is designed to challenge and motivate participants to consider the impact of their own behavior and encourage them to speak up when issues arise.

Topics include:

* harassment,
* retaliation,
* abusive behavior,
* inappropriate mutual banter,
* electronic communication,
* social media, and
* the importance of inclusion and professionalism.

Seattle | October 15 | 3.5 hours

**Civil Treatment for Leaders**

Civil Treatment for Leaders provides leaders with the skills and insights they need to achieve positive business results and engage employees in ways that inspire their best work. Rather than focusing on the law exclusively, this course focuses on a wide range of behaviors based on realistic business simulations to spark new insights for your leaders.

Seattle | October 22 | 7 hours

*\*Workplace Bullying Institute, 2017*

**Washington Paid Family & Medical Leave Voluntary Plan Applications Available Soon**

Beginning January 1, 2020, family and medical leave will be available through a State administered plan to all employees employed by an employer in the State of Washington. Funded by premiums paid by both employers and employees, family and medical leave insurance benefits will be payable to employees during a period in which they are unable to perform their regular and customary work because of the need for family and medical leave. Premium assessment begins on January 1, 2019.

Under the new Washington State Paid Family and Medical Leave (PFML), employers may elect to provide a “Voluntary Plan” instead of participating in the State’s plan. Voluntary Plans are paid family and medical leave benefits offered by employers directly to employees, outside of the state plan. Voluntary plans must offer at least the same benefits and duration of leave as the state plan. The Voluntary plan application process is underway and expected to open this month.

Employers must submit an online application and be approved before a Voluntary Plan can be offered. Employers who have applications approved by December 31, 2018 will not be required to collect and remit state plan premiums beginning in January 2019. The fee for applying for a voluntary plan is $250.

However, before applying to provide a voluntary plan, employers must consider the following:

* Voluntary plans must meet or exceed all provisions required under the Paid Family and Medical Leave, including the requirement to cover all current and future employees.
* Employers may offer a voluntary plan for either family leave, medical leave, or both. If an employer offers a voluntary medical plan (for example, a comparable short-term disability plan) but not a family leave plan, the employer must still participate in the Family leave portion of the State plan.
* Voluntary plans must be approved by the Employment Security Department before they are offered as a voluntary plan to employees. Employers may choose to work with a third party to administer their voluntary plan, but the employer still carries the legal burden of satisfying the requirements of the program. Once approved, employers must commit to provide the Voluntary Plan for the entire year.
* Employees who would otherwise be eligible for the State plan are eligible for benefit payments under an approved voluntary plan once they have worked 340 hours for the employer providing the voluntary plan.
* Reporting wages and hours worked to the State is still required by employers that elect to offer a voluntary plan. Since the State plan is portable between employers and employee eligibility is based on hours worked, quarterly reporting is still required from voluntary plan employers. Should an employee move to a new job, the hours worked must be recorded.
* Employers must still post notice of the Paid Family & Medical Leave program as well as provide eligible employees written notice of employee rights. Failure to post the notice may result in a penalty of $100 per instance in which ESD determines the employer willfully failed to post the notice. Failure to provide written notice of employee rights when they become aware that an employee taking leave would qualify for Paid Family & Medical leave may be subject to penalties of up to $2,000 per violation.

Archbright will continue to monitor the rulemaking process of this new law and will provide additional resources to assist our members in complying with the many details of this complex program. Members considering applying for a Voluntary Plan can find more information on the ESD’s website, https://esd. wa.gov.

Source: Joy Sturgis, Senior HR Advisor at Archbright

**HR FAQ**

**Question:** We have an exempt employee that is moving from full-time to part-time status. Can we continue to pay her an exempt salary?

**Answer:** Under the FLSA, to be considered an exempt employee, an individual must be compensated on a salary basis at a rate of not less than $455 per week, and meet certain tests regarding their job duties. The employee’s specific job duties and salary must meet all of the requirements and, with limited exceptions, the employee must receive the full salary for any week in which they perform any work.

Whether an employee is considered full-time or part- time does not change the application of the FLSA exemption. Part-time employees must also meet the same minimum salary requirement as well as the job duties test in order to be classified as exempt. If a full- time exempt employee is moving to part-time, first ensure that the employee’s job duties still qualify for exempt status. If the job duties change, the employee may lose the exempt status.

Keep in mind, however, that changes to the exemption requirements, and specifically the salary threshold, are currently under consideration at both the federal and Washington state level. Members are encouraged to contact Archbright’s HR and Legal Advice team before making classification changes.

**More Than 50% of Employers Have Found Content on Social Media That Caused Them Not to Hire a Job Candidate**

Seventy percent of employers use social networking sites to research job candidates (on par with last year), while 7% plan to start. This is according to a new CareerBuilder survey, which also shows that of those that do social research, 57% have found content that caused them not to hire candidates.

Broken down by industry, those in IT (74%) and manufacturing (73%) are more likely than those in retail/non-retail sales (59%) to do social networking digging on potential job candidates. But it’s not just the social sites that are fair game—66% of employers say they use search engines to conduct their research on potential job candidates.

Nearly half of employers (47%) say that if they can’t find a job candidate online, they are less likely to call that person in for an interview—28% say that is because they like to gather more information before calling in a candidate for an interview; 20% say they expect candidates to have an online presence.

According to employers who use social networking sites to research potential job candidates, what they’re looking for when researching candidates is:

* Information that supports their qualifications for the job: 58%;
* If the candidate has a professional online persona: 50%;
* What other people are posting about the candidate: 34%; and
* A reason not to hire the candidate: 22%.

Employers continue to monitor employees’ online presence even after they’re hired. Nearly half of employers (48%) say they use social networking sites to research current employees—10% do it daily. Further, a third of employers (34%) have found content online that caused them to reprimand or fire an employee.

About the survey. The national survey was conducted online on behalf of CareerBuilder by The Harris Poll between April 4 and May 1, 2018. It included a representative sample of more than 1,000 hiring managers and human resource professionals across industries and company sizes in the private sector.

Source: CCH

**401k Plan Sponsors’ Biggest Concern Shifts to Helping Employees Prepare for Retirement**

According to recent research from Fidelity Investments, the top concern of 401k plan sponsors was whether the plan was effectively preparing employees for retirement financially (33%), a shift from 2017, when the main focus was reducing business costs related to the plan. The Plan Sponsor Attitudes Survey found that to help employees achieve their savings goals, many sponsors are making changes to plan design (82%) and investment menus (83%).

Additionally, the survey noted that 92% of 401k plans use plan advisors, and the number of plan sponsors actively looking to switch their plan advisors (22% this year), while high, is down considerably from an all- time high of 38% last year. While last year’s potential regulatory changes were top of mind for plan sponsors, this year, the top reason they hired advisors was to help improve their plans (27% versus 7% in 2017).

As plan sponsors continue making changes to investment menus and plan design, the reasoning behind those changes mirrors their overall focus on retirement preparedness for participants. The reason for most plan design changes was to increase employee participation or savings rates. About one in three plan sponsors reported that they added or changed a matching contribution (39% versus 25% in 2017), making that the top change to plan design in 2018. 56% of plan sponsors made that change to increase employee participation and 47% did so to increase savings rates.

The top changes to investment menus included replacing an underperforming fund (33%), adding an index fund (28%) and adding a lower-cost class of shares (25%). Another emerging trend for plan sponsors was the decision to add a managed account program, with 23% of plan sponsors reporting that change.

The survey also found the following:

* Auto-enrollment, which ranked as the top plan design change last year at 42%, fell to 26%. Only about half of plans use auto-enrollment (51%), and, six in 10 finance and HR associates participating in the survey reported concern that employees would not respond well to being automatically enrolled. However, 87% of employees stayed in plans with an auto-enrollment default of 5% or higher, and 68% reported being “very satisfied” with the feature. In addition, 23% of plans increased the auto-enrollment deferral rate and 29% added an automatic increase program.
* Retirement income goals are on the minds of plan sponsors—seven in 10 reported setting a goal for retirement income. Fidelity suggests 45% is a reasonable income replacement goal to help maintain a pre- retirement lifestyle throughout retirement, but 37% of plan sponsors reported a goal of less than 40%.
* Health savings accounts (HSAs) could increase firms’ resources available to retirement plan participants. 65% of plan sponsors stated that retirement plans compete for funding with health and other benefits. Sponsors considered health care to be the most important benefit for the company—even before retirement benefits. And, 54% of plan sponsors reported reducing or deferring spending on other benefits due to higher health care costs. However, 25% of plan sponsors still do not offer HSAs. About one-third (32%) of plan sponsors using an HSA said its primary value to the company is to lower health insurance costs through high deductible plans.

Source: CCH

**AnswersNow Subscription Available to All Archbright Members**

Included with membership is 24/7 access to the latest HR, benefits, and payroll compliance resources and tools—including state laws!

AnswersNow is a national database to help with everyday HR compliance issues and is available to all members as part of Archbright membership.

This unique resource includes full texts of employment law and regulations for all 50 states and Washington D.C. It includes a “What the Employer Must Do” section for every state, making it one of the most complete and detailed resources for state employment laws available today.

There is also a lookup/comparison charting tool that allows users to quickly research most employment topics for either a single state or multiple states to perform a comparison. And it is always up-to-date!

Also included within the AnswersNow subscription is access to their powerful job descriptions tool. Jobdescriptions.com includes 3,700+ job descriptions, including competencies to further define the job, and generates job specific, behavioral-based interview questions.

If you do not yet have an account for AnswersNow set up, please contact Anna Muller, Member Services Representative, to request a login. Once you are set up in the system, you’ll simply login to the Archbright website, select Archbright Partners from the Member Home menu, and click on AnswersNow to access the tool.

**Instagram Live on September 26th with HR Pro Katherine Kummerow**

On Wednesday, September 26th at 2pm we will be live on Instagram! Archbright’s Senior HR Professional, Katherine Kummerow, will discuss common questions that come in to the Archbright HR Hotline. You will also have the opportunity to ask a question. Follow ArchbrightHR on Instagram so you can be notified when we go live!

**Safety Orientation**

According to the Bureau of Labor Statistics’ Lost-Work Time Injuries and Illnesses Reports, employees with fewer than 6 years of employment account for about 37% of all illnesses and injuries sustained over a year.

While every employee is exposed to hazards in the workplace, no employee is more at risk than the new hire. According to the Occupational Safety and Health Administration (OSHA), “Many researchers conclude that those who are new on the job have a higher rate of accidents and injuries than more experienced workers. If ignorance of specific job hazards and of proper work practices is even partly to blame for this higher injury rate, then training will help to provide a solution.”

New employee orientation should include training your new workers on how to perform their jobs safely. It is also the perfect time to begin skills training for the specific job and to introduce employees to the rest of the company, its process, culture, policies, and even to the competition. Adding this to your new employee orientation checklist can greatly improve worker satisfaction and employee retention.

While each company’s goals are different, the goal of your company’s safety policy should be to ensure an accident- free workplace while maintaining a high level of productivity. Your new employee orientation checklist should include teaching new hires during employee orientation training to:

* Participate in all safety required training sessions
* Report any hazards and unsafe conditions they see
* Report any incidents and near misses that occur
* Have ownership in the Company’s safety culture
* Ask for help or guidance whenever they are not sure how to proceed safely

Please join us September 20th during our monthly Safety Webinar to learn more about Safety Orientations for New Hires, Job Transfers, and On-Going Training. For questions or more information, please contact your Safety/Loss Control Consultant at 206.329.1120 or 509.381.1635.

**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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