**Archbright™**

**Insights Newsletter**

**September 2015**

**National Payroll Week is September 7 – 11**

National Payroll Week celebrates the unique partnership among America’s workers, our companies, and the payroll professionals who pay us! This national campaign helps workers understand more about their paychecks, the payroll withholding system, and other payroll-driven benefits.

At Archbright™, we know getting payroll right is critical to your workplace performance. We also understand that navigating the complexities of your payroll needs in Washington State can be a challenging task at best.

As we celebrate National Payroll Week, we invite you to learn more about Archbright™ Pay. We are the region’s only payroll solution where the best service in payroll, HR, and technology can truly be found in a single place.

For more information about how we are changing the way our members experience payroll, please visit our website (try our free Payroll Calculators and view the presentation, “The Top 5 Payroll Mistakes and How to Avoid Them”) or call your Account Executive at 206.329.1120.

To find out more about National Payroll Week, visit nationalpayrollweek.com.

Archbright Announces Partnership with TalentWise

Looking for a background screening provider? TalentWise offers FRCA-compliant products, award-winning customer service, exceptional response time, easy-to-use dashboards and flexible packages for all of your background screening needs. More information about TalentWise is now available on the Members Home page.

**Confused About ACA Reporting Requirements? IRS Explains What You Need to Know**

The IRS has released a reminder that calculating the number of employees is especially important for employers that have close to 50 employees or whose work force fluctuates during the year. That’s because these applicable large employers, or ALEs, must offer their full-time employees and dependents affordable health coverage that provides minimum value. Here are some other reminders from the IRS for both ALEs and for employers with fewer than 50 employees.

Applicable large employers. ALEs with exactly 50 employees can buy insurance through the Small Business Health Options (SHOP) marketplace. All ALEs must file an annual return, the first of which are due to be filed and furnished in 2016 for 2015, reporting whether they offered health insurance and,

if so, what insurance it was. They must also provide a corresponding statement to each full-time employee.

Under the employer shared responsibility provisions of the Patient Protection and Affordable Care Act (ACA) (P.L. 111-148), ALEs that fail to offer affordable coverage that provides minimum value to their full- time employees and their dependents will be subject to penalties if one or more of their full-time employees gets a premium tax credit. Transition relief is available for 2015, including relief for ALEs with fewer than 100 full-time employees.

Small employers. Small employers with fewer than 50 full-time employees or full-time equivalent employees are not subject to the ACA’s shared responsibility provisions.

Small employers who cover at least 50% of employees’ premium costs, and who have fewer than 25 full-time equivalent employees with average annual wages of less than $50,000 may be eligible for the small business health care tax credit if they purchase their coverage through the Small Business Health Options Program.

Self-insured coverage. The ACA provides that all employers that provide self-insured health coverage must file an annual return for individuals they cover and provide a corresponding statement to responsible individuals. Again, annual information returns are due to be filed and furnished in 2016 for 2015.

Source: CCH

**HR FAQ**

Question: We suspect our exempt employees are not putting in 40 hours of work each week. Can we insist they start tracking their time?

Answer: Yes you can. Federal and state legal authority provides that employers may require exempt employees to record and track hours without affecting their exempt status. Tracking time requirements for exempt employees, alone, will not alter the exempt status of employees.

While tracking exempt employees’ hours is not a common practice, there are several valid reasons for doing so, including:

1. To determine if the employee is qualified to take FMLA leave
2. To track billable hours attributable to a project
3. To determine if the workload is fairly distributed
4. To identify the most efficient workers
5. To determine if a “bonus” is due on top of a regular salary

Subject to narrow exceptions, an exempt employee must generally receive a full salary for any week in which the employee performs any work without regard to the number of days or hours worked. So, as long as an exempt employee’s pay is not docked for violating work hour rules, the practice of tracking time is permitted.

In 2000, Washington’s Supreme Court decided the following practices would destroy the exempt status:

* Setting hourly quotas coupled with pay docking for time missed
* Requiring employees to “make up time” in workweek hourly quotas
* Docking vacation banks when an exempt employee does not meet an hourly quota

**DOL Guidance Broadens FLSA Definition of Employee**

Coming down strongly on the side of finding an employment relationship, the Wage Hour Division of the Department of Labor issued an Administrator’s Interpretation from Dr. David Weil on July 15, 2015.

It was no surprise that the agency takes the position that most workers are employees under the FLSA. The Administrator’s Interpretation No. 2015-1 compliance assistance document focuses on the economic realities test in light of the FLSA’s definition of “employment” as “to suffer or permit to work,” discusses each factor in the economic realities test, and provides case law and examples to flesh out its interpretation. Given the examples and the DOL’s emphasis, there’s a little something here to make advocates of the “sharing economy,” as well as employers that have relied on an independent contractor business model, uncomfortable.

Labels matter little. Most misclassified employees are labeled “independent contractors,” said the DOL, but it has seen an increasing number of situations where employees are labeled something else, such as “owners,” “partners,” or “members of a limited liability company.” Regardless of what they are called, the determination of whether the workers are in fact FLSA-covered employees is still made by applying an economic realities analysis.

Most workers are employees

The appropriate test to determine whether a worker is an employee or an independent contractor under the FLSA is the multi-factorial “economic realities” test, which focuses on whether the worker is economically dependent on the employer or in business for him or herself. A worker who is economically dependent on an employer is suffered or permitted to work by the employer, reasoned the DOL, so applying the economic realities test in view of the expansive definition of “employ” under the Act, most workers are employees under the FLSA.

“Very broad” scope of employment. Application of the economic realities factors should be guided by the FLSA’s statutory directive that the scope of the employment relationship is very broad. All of the factors must be considered in each case; no one factor (particularly the control factor) is determinative; and the factors should not be applied mechanically, but as indicators of the broader concept of “economic dependence.” Ultimately, the goal is to determine whether the worker is economically dependent on the employer (and is an employee) or is really in business for him or herself (and is an independent contractor).

Economic realities in light of “suffer or permit.” The Administrator’s Interpretation goes into some detail on the history of the economic realities standard and its application. It stresses that the ultimate inquiry under the FLSA is whether the worker is economically dependent on the employer or truly in business for him or herself.

In a nutshell, if the worker is economically dependent on the employer, then the worker is an employee. If the worker is in business for him or herself (economically independent from the employer), then the worker is an independent contractor.

Should you have any concerns on whether or not your independent contractors qualify as such, please call Archbright legal counsel at 206.329.1120 right away.

**OFCCP Posts Voluntary, Interactive Section 503 Checklist Tool**

A voluntary, interactive checklist tool, devised to help federal contractors assess their compliance with the affirmative action program (AAP) requirements of Section 503 of the Rehabilitation Act of 1973, is now posted on the OFCCP’s website. The checklist is designed to help contractors assess their compliance by answering a series of “yes/no” questions about their company’s practices and policies.

Contractors are not required to use the checklist, and using it does not ensure compliance with the OFCCP’s Section 503 regulations. However, it may help a contractor enhance its awareness of its AAP obligations and alert it to potential compliance problems that may need correction.

The checklist is located on the OFCCP’s website at: <http://www.dol.gov/ofccp/regs/compliance/ChecklistforCompliancewithSection503_JRF_QA_508c.pdf>.

Source: CCH

**Instructor Spotlight: Hartley McGrath**

Hartley McGrath joined the Archbright staff in 2013. She has over ten years of experience facilitating leadership development and team building training experiences in higher education, non-profit, and corporate settings. She co-teaches three graduate courses in Seattle University’s MBA program, including the highest rated elective, Leading with Emotional Intelligence, and runs an annual Emotional Intelligence expedition to the Italian Dolomites. In her free time she likes to do power yoga, run, and take walks with her fiancé and their fluffy dog, Winston.

**Q: What factor is twice as important as IQ for workplace success?**

**A: Emotional Intelligence!**

Increasing one’s Emotional Intelligence leads to more effective leadership, career success, happiness, and relationship satisfaction. The experiential nature of this training session gives participants an intellectual, emotional, and physical knowledge of the materials, so they can immediately apply the tools at work and home.

**Upcoming First Aid/CPR/AED Classes**

**Full Certification 8:00-3:30:**

September 17 - Seattle

September 24 – Kent

October 22 – Kent

October 29 - Seattle

**Recertification 8:00-12:30**

September 18 - Seattle

September 25 - Kent

October 23 – Kent

October 30 – Seattle

Supervisory Skills

September 14 - Kent: Supervisory Skills - Session 1

September 16 - Seattle: Supervisory Skills - Session 1

September 21 - Kent: Supervisory Skills - Session 2

September 23 - Seattle: Supervisory Skills - Session 2

September 24 - Kent: Supervisory Skills - Session 1

September 28 - Kent: Supervisory Skills - Session 3

September 30 - Seattle: Supervisory Skills - Session 3

October 1 - Kent: Supervisory Skills - Session 2

October 7 - Kent: Supervisory Skills - Session 1

October 8 - Kent: Supervisory Skills - Session 3

October 14 - Kent: Supervisory Skills - Session 2

October 15 - Spokane: Supervisory Skills - Session 1

October 19 - Seattle: Supervisory Skills - Session 1

October 20 - Seattle: Supervisory Skills - Session 2

October 21 - Seattle: Supervisory Skills - Session 3

October 21 - Kent: Supervisory Skills - Session 3

October 22 - Spokane: Supervisory Skills - Session 2

October 29 - Spokane: Supervisory Skills - Session 3

Microsoft Office (8:00 – 4:00)

September 14 - TLG Seattle: Microsoft Excel Instructor Led - Level 2 (2010, 2013/Office 365)

September 22 - TLG Bellevue: Microsoft Excel Instructor Led Level 1 (2010, 2013/Office 365)

September 28 - TLG Bellevue: Microsoft Office Mentor Led (2010, 2013/Office 365) Session 1

September 29 - TLG Bellevue: Microsoft Office Mentor Led (2010, 2013/Office 365) Session 2

October 12 - TLG Tacoma: Microsoft Office Mentor Led (2010, 2013/Office 365) - Session 1

October 13 - TLG Tacoma: Microsoft Office Mentor Led (2010, 2013/Office 365) - Session 2

October 14 - TLG Bellevue: Microsoft Excel Instructor Led - Level 2 (2010, 2013/Office 365)

October 20 - TLG Seattle: Microsoft Excel Instructor Led Level 1 (2010, 2013/Office 365)

October 26 - TLG Seattle: Microsoft Office Mentor Led (2010, 2013/Office 365) - Session 1

October 27 - TLG Seattle: Microsoft Office Mentor Led (2010, 2013/Office 365) - Session 2

October 28 - TLG Bellevue: Microsoft Excel Instructor Led - Level 3 (2010, 2013/Office 365)

Leadworker Effectiveness (8:00 – 4:00)

September 1 - Seattle: Leadworker Effectiveness

September 9 - Kent: Leadworker Effectiveness

October 1 - Seattle: Leadworker Effectiveness

October 22 - Kent: Leadworker Effectiveness

**FREE! Developing Your Company’s Training Plan (8:30 – 12:00)**

September 24 – Seattle: Developing Your Company’s Training Plan

Other Classes

September 2 - Seattle: Project Management (8:30 AM-4:30 PM)

September 9 - Seattle: Hiring Winners (8:30 AM-4:30 PM)

September 10 - Kent: Feedback for Success (1:00 PM-4:30 PM)

September 10 - Seattle: HR Fundamentals - Session 1(8:30 AM-4:30 PM)

September 11 - Seattle: HR Fundamentals - Session 2(8:30 AM-4:30 PM)

September 15 - Kent: Becoming a Leader - Session 1(8:30 AM-4:30 PM)

September 15 - Seattle: Change Management (1:00 PM-4:30 PM)

September 15 - Seattle: Managing the Millennial Employee (8:30 AM-12:00 PM)

September 16 - Kent: Delegating and Setting Expectations (1:00 PM-4:30 PM)

September 16 - Kent: Discipline and Documentation (8:30 AM-12:00 PM)

September 18 - Kent: Time Management(8:30 AM-12:00 PM)

September 22 - Kent: Becoming a Leader - Session 2(8:30 AM-4:30 PM)

September 22 - Seattle: Communicating for Success (8:30 AM-12:00 PM)

September 22 - Seattle: Conflict to Collaboration (1:00 PM-4:30 PM)

September 23 - Kent: Emotional Intelligence: Effective Communication and Influence(8:30 AM-4:30 PM)

September 23 - Kent: Project Management (8:30 AM-4:30 PM)

September 29 - Seattle: Understanding the 5 S's (9:00 AM-4:00 PM)

September 29 - Seattle: Managing the Bermuda Triangle of Leave Laws(1:00 PM-4:00 PM)

September 30 - Kent: Building Interpersonal Awareness (8:30 AM-12:00 PM)

September 30 - Kent: Communicating for Success (1:00 PM-4:30 PM)

October 2 - Kent: Coaching for Success 8:30-12:00

October 6 - Kent: Hiring Winners 8:30-4:30

October 6 - Seattle: Project Management 8:30-4:30

October 8 - Seattle: Conducting Effective Internal Investigations 8:30-12:00

October 9 - Seattle: Writing and Delivering Performance Reviews 8:30-12:00

October 13 - Kent: Crucial Conversations™ - Session 1 8:00-5:00

October 15 - Kent: Communicating for Success 8:30-12:00

October 15 - Seattle: Diversity and Inclusion in the Workplace 1:00-5:00

October 15 - Seattle: Employment Law Landmines 9:00-12:00

October 16 - Kent: Building Interpersonal Awareness 8:30-12:00

October 20 - Kent: Crucial Conversations ™ - Session 2 8:00-5:00

October 22 - Seattle: Communicating for Success 8:30-12:00

October 23 - Seattle: Dealing with Hazardous Waste 8:00-4:00

October 29 - Kent: Time Management 8:30-12:00

Rewards: They’re All in Your Head

Not so long ago, managers at ZommaAce (a fictitious company) created an employee recognition program called Z-Soar.

Z-Soar had two main goals. The first was to surface examples of teamwork to foster more of it. The second was to reward particularly outstanding performance in a way that would inspire other ZommaAcers to greatness.

The managers created a simple system through which employees could submit recognitions about their coworkers each month.

The first month ZommaAcers submitted recognitions for nearly half of the employees. They appreciated one another for acts large and small. The managers had many examples of outstanding work to choose from. They selected a Z-Soar recipient and presented the award, along with a significant cash bonus, in the all-company meeting. They then posted all the recognitions on the break room bulletin board for everyone to see. Success!

The second month saw fewer submissions and the stories grew less compelling. Still, there were plenty to choose from and the managers presented another Z-Soar award and posted the recognitions.

This went on for several months, but with dwindling submissions. Some recognitions started to look like campaigns for particular individuals whose work did not seem remarkable. The smaller acts of teamwork and collaboration were not making it into the submissions any longer. Within six months, the managers were frustrated in their attempt to select a new recipient. Employees were complaining of favoritism and believed some roles, by their nature, were not visible enough to ever be recognized with a Z-Soar award. The bulletin board of recognitions looked embarrassingly meager.

The program was fostering neither teamwork nor greatness. Rather it was inspiring a lot of complaining and grumbling. Time for a new approach.

A few employees put their heads together, asked around and decided that a program focused on acts of teamwork large and small still had merit. Employees wanted a public outlet to recognize one another.

Using the same collection system, all of the submissions were put into a hat. One was drawn randomly at the end of the month. Both the giver and receiver received matching goofy trophies to display on their desks for a month along with a modest gift card. The next month the number of submissions increased. They increased again the next month. The posted recognitions began to spill over the edges of the bulletin board. People told sincere stories of the everyday acts that made working together at ZommaAce a pleasure. Success sustained!

So what happened? Why would goofy trophies and gift cards drawn at random foster greater and more genuine participation than a high-value cash award and the recognition of management?

The reward network of the human brain explains some of this. Yes, money stimulates the brain’s reward network, but so does fairness. Instead of being inspired by hearing tales of Z-Soar award recipient greatness, ZommaAcers began to perceive unfairness. They saw little value in submitting the everyday acts of teamwork when all that seemed to matter to the managers were high-visibility contributions or worse, popularity contests. In addition to fairness, the brain’s reward network is also stimulated by social recognition. The authentic recognition by coworkers, regardless of financial incentive, is a compelling reward in itself.

Relatedness with others also fosters the reward network, so even those ZommaAcers writing the submissions were feeling rewarded by appreciating their coworkers. By revising Z-Soar to foster social connection in a fair way, ZommaAce maintained a thriving program that appealed to the brain’s reward network.

A few more examples of the many ways the brain’s reward network is stimulated:

* Learning something new a person is curious about
* Tackling and solving challenging problems
* Having an opportunity to contribute to fairness in the wider community, e.g. volunteer days
* Stories with happy or unexpected endings

If you are curious about best practices of effective workplaces informed by neuroscience research check out Your Brain at Work by David Rock, Brain Rules by John Medina, and Your Brain at Work, an article by Waytz and Mason in the Harvard Business Review.

**Time to “Woman Up”: Discover Your Unconscious Biases and Double Standards**

Please join us for Session 5 on September 16

In this interactive session, you will analyze your organization for the presence of elements that work for women, learn how to advocate for practices that create new archetypes, and design tailored developmental activities that reduce second-generation gender bias in your workplace.

This session is at Nordstrom’s Corporate HQ, Seattle from 8:30am to Noon. For more information, or to register, visit Archbright.com.

Fall Protection

Fall hazards are commonly found in almost every workplace setting.

Falls can take place during every-day activities like walking or climbing ladders, or as a result of a series of events affecting someone 100 feet above the ground. Falls are among the most common causes of serious work related injuries and deaths.

To prevent employees from being injured from falls, employers must:

* Guard every floor hole into which a worker can accidentally walk (using a railing and toe-board or a floor-hole cover).
* Provide a guard rail and toe-board around every elevated open sided platform, floor, or runway.
* Regardless of height, if a worker can fall into or onto dangerous machines or equipment (such as a vat of acid or a conveyor belt) employers must provide guardrails and toe- boards to prevent workers from falling and getting injured.
* Other means of fall protection that may be required on certain jobs include safety and harness and line, safety nets, stair railings, and hand rails.
* Develop and follow a written fall protection plan.

According to the Centers for Disease Control and Prevention, Workers’ Compensation and medical costs associated with occupational fall incidents have been estimated at approximately $70 billion annually in the United Sates. On top of that, there is the cost to the workplace of having fewer workers, possibly added to by the costs of recruiting and training new workers. The low morale of seeing an injury or death to a coworker can also drain productivity from the remaining workers. All of these factors make even one fall from a relatively short height extremely expensive—and their prevention extremely valuable. Many countries are facing the same challenges as the United States on fall injuries in the workplace. The international public health community has a strong interest in developing strategies to reduce the toll of fall injuries.

Falls can be prevented when workers understand proper set-up and safe use of equipment, so they need training on the specific equipment they will use to complete the job. Employers must train employees on hazard recognition and in the care and safe use ladders, scaffolds, fall protection systems, and other equipment they’ll be using on the job.

For questions or more information regarding Fall Protection policies and issues, please contact your Safety & Loss Control Representative at 206.329.1120.

Monthly Safety Webinar  
SEPTEMBER 2015  
Fall Protection Program  
Thursday, September 17th 2:15 p.m.

In 2013, 574 workers in the United States lost their lives because of an incident that was classified as a fall to a lower level. About a quarter of those falls were from a distance of 10 feet or less. Falls are a consistently common and devastating source of injury to workers.

This webinar will give you the information necessary to ensure that the employees at your worksite are safe while working at elevated levels.

Topics include:

* Requirements
* Fall restraint
* Fall arrest
* Fall protection work plan
* Work platforms
* Guardrails

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

“Safety might not always be common, but it always makes sense.”

**Did You Know?**

Over the past ten years, nearly 3,500 workers died from falls, contributing to almost half of the fall fatalities for all industries combined. Lack of fall protection remains OSHA’s most frequently cited violation.

**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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