



State News

California

Los Angeles – Measures that are to raise the citywide hourly minimum wage each year on July 1 – starting in 2016, with an increase from \$9 to \$10.50, and which can continue to increase until reaching \$15 in 2020 – were signed June 13 by Los Angeles Mayor Eric Garcetti (D). For employers with up to 25 workers, the wage increases are to start in 2017 and end in 2021. The rate adjusts annually for inflation starting in 2022.

Delaware

As of June 1, the hourly minimum wage rose from \$7.75 to \$8.25. The minimum cash wage for tipped workers is \$2.23, based on a maximum tip credit that rose from \$5.52 to \$6.02.

Kentucky

Raises Minimum Wage for Contractors – On June 8, 2015, Gov. Steven L. Beshear (D) said that a minimum hourly wage of at least \$10.10 must be paid by private companies with state government contracts to employees who perform work in connection with the contracts.

Maryland

Effective Jan. 1, 2016, Maryland is to require all employers and third-party administrators to electronically file unemployment tax reports and wage reports for unemployment compliance, the state Department of Labor, Licensing and Regulation said June 16. The electronic filing requirement currently applies to wage reports filed by employers with at least 100 employees and unemployment tax and wage reports filed by third-party administrators that file unemployment data reports on behalf of at least 100 employees. Employers with up to 5,000 employees can use Maryland Unemployment Insurance WebTax. Employers with more than 5,000 employees are to be able to file unemployment tax.

New York

Proposed Payroll Card Rules would protect Workers' wages

On May 27, proposed regulations issued by the state Labor Department and published in the state register would place new requirements on employers that pay workers using payroll debit cards, specifying permissible payment methods.

Among the proposed requirements: employers must obtain consent from workers PRIOR to paying wages with debit cards; the consent must be documented and kept for six years; employers would be required to notify workers about nearby cost-free locations where the cards may be used to access wages; and employers would have to provide unlimited free ATM withdrawals with a local network and a method to withdraw the full wage-payment amount each pay period.

Common fees, such as those for customer service, account maintenance; overdraft and inactivity also are prohibited by the new rules.

North Dakota

Issues Retroactive Methods for 2015

On June 10, the Office of Tax Commissioner released income tax withholding methods, retroactively effective Jan. 1, 2015. Withholding rates decreased for all tax brackets, and the annual withholding allowance increased from \$3,950 to \$4,000.00. The flat supplemental withholding rate decreases from 2.28% to 2.05%.

Employers are not required to adjust 2015 withholding for the decreases; however they are encouraged to implement the changes as soon as possible, the office said. Employers that choose to implement the methods for 2015 are not required to make adjustments for any overwithholding that occurred before the updated methods were released, it said.

Ohio

Effective Jan 1, 2016, school district income taxes are to be imposed in these school districts: Edon Northwest – 1%, Northeastern – 1% and Zane Trace - .75%.

Pennsylvania

Philadelphia Wage Tax Rate to decrease effective July 1, according to the Philadelphia Department of Revenue's website. The tax rate is to decrease from 3.92% to 3.9102% for residents and from 3.4915% to 3.4828% for non-residents.

South Carolina

Employers to Avoid FUTA Credit Reductions for 2015

South Carolina fully repaid its loan from the federal unemployment account, enabling employers in the state to avoid a Federal Unemployment Tax Act credit reduction for 2015 if the state still does not have a loan balance Nov. 10, the office of Gov. Nikki Haley (R) said.

The repayment is to enable South Carolina employers to avoid for 2015 a general credit reduction of 1.8% and a benefit-cost add-on credit of .3% that together would increase their unemployment tax costs by up to \$147 for each employee.

From 2011 to 2014, South Carolina successfully fulfilled conditions to receive a credit-reduction avoidance from the federal Labor Department even though it had a federal unemployment loan balance on Jan. 1 of multiple consecutive years and had a loan balance on Nov. 10 of those years. This enabled employers in the state to not be assessed a FUTA credit reduction for 2011 to 2014.

South Carolina had been a credit-reduction state for 2010, which had caused employers to need to pay additional unemployment tax costs of up to \$21 for each employee.

Rhode Island

On June 1, measures to increase the state's hourly minimum wage from \$9.00 to \$9.60, effective Jan. 1, 2016 were signed by Gov. Gina Raimondo (D).

Washington

The unemployment taxable wage base is to increase from \$42,100 in 2015 to \$44,000 in 2016, the state Employment Security Division said June 24.