



REMINDER:

**California 401(k) Mandate
Deadline is June 30, 2022**



An important deadline is on the horizon for California business owners. By June 30, 2022, employers with five or more employees are required to have a retirement plan in place for workers — either through a private-market option, like a 401(k), or through the state-run CalSavers program. If you already offer a qualified retirement plan you will need to file for an exemption on the CalSavers site. Some of the qualified private-market alternatives include 401(k) plans; 408(k) SEP plans; 408(p) SIMPLE IRA Plan; 401(a) Qualified Plan (including profit-sharing plans and defined benefit plans); and 403(a) or 403(b) Annuity Plan. (See complete list in the CalSavers FAQ.)

Employers who miss the deadline will pay a fine of \$250 per eligible employee if noncompliance extends 90 days or more after the notice; that increases to an additional \$500 per eligible employee if noncompliance extends 180 days or more after the notice.

The Importance of Mental Health Awareness in the Workplace

Now more than ever, employers are allocating more resources to address workplace mental health and wellness, especially in hybrid and remote-work environments. As with previous periods of economic dislocation, workers may drop out of the labor force entirely. This time, mental health and addiction are poised to drive disability claims and increase scrutiny of health care coverage. Societal pressures, such as the evolving pandemic, equity and social justice causes, economic instability, and political polarization will continue to affect workers and workplaces. Business leaders and HR professionals are leading transformational change by investing in effective wellness strategies, creating supportive workplaces, and engaging policymakers to maintain their comparative advantage.

The impetus for these efforts predates the pandemic. It is estimated that nearly 1 in 5 adults struggle with mental illnesses. The group Mental Health America



found that more than half of individuals who live with mental illness do not receive treatment, and the National Alliance on Mental Health stated that mental illness is the leading cause of disability. In the workplace, undiagnosed and untreated mental illnesses result in increased absenteeism, lowered productivity and higher turnover. The pandemic exacerbated this issue, of course, and employers were forced to respond. Businesses see the value in investing in the mental health of their employees. According to the 2020 SHRM Employee Benefits Survey, coverage for mental health, family planning and other specific health services rose among sweeping numbers of survey respondents. Employers also see a return on those investments. The National Safety Council and NORC at the University of Chicago found that employers saw a \$4 return for every dollar invested in mental health treatment. Employees are also more likely to stay at an organization if they have mental health benefits.

Various executive departments under the Biden



administration have stated a commitment to increasing access to mental health and substance abuse care services. Increased federal scrutiny of the mental health coverage employers provide is likely. The Dept.

of Labor, in collaboration with the Dept. of Health & Human Services and Dept. of the Treasury, recently issued a report describing the enforcement of the Mental Health Parity and Addiction Equity Act of 2008 to be a top administration priority.

Of course, the job of mitigating our nation's mental health crisis does not fall exclusively on the shoulders of employers. HR professionals and business leaders are engaging with policymakers to expand access to mental health services in collaboration with the employer community. For example, SHRM successfully advocated for policy changes surrounding telehealth in the recently adopted omnibus spending bill. These policy changes will make it easier for individuals in underserved communities to access mental health services that would not otherwise be available due to a lack of local providers.

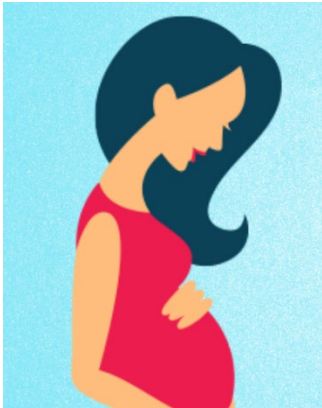
Mental health and wellness has emerged as one of the critical issues of our time and has only been compounded by the COVID-19 pandemic, the visibility of equity and social justice issues, and the overall economic instability across the globe. As the data shows, untreated and undertreated mental health is a heavy financial burden, especially in the workplace. Your Centricity HR partner is available to connect to collaborate on the best ways to address mental wellness at your company.



Dickens, E. (2022, March) **Mental health and wellness will affect labor force participation and invite regulatory oversight.** Retrieved from <https://blog.shrm.org/blog/senior-executive-lookahead-mental-health-and-wellness-will-affect-labor-for>

#ShowUsYourLeave Campaign Takes Twitter By Storm

When theSkimm, a media company for millennial women, launched its #ShowUsYourLeave campaign last November, plenty of people chimed in with their opinions about paid parental leave. More than 6,000 people liked theSkimm's Instagram post, and many shared their own stories of paid parental leave (or lack thereof). Over 1,000 followed the hashtag on LinkedIn. And Change.org started a #ShowUsYourLeave petition, which more than 30,000 people have signed, to fight for better paid parental leave in the United States.



The campaign has also given progressive companies an opportunity to highlight their generous leave policies. On LinkedIn, Nestle, Bank of America, Pinterest, and many more have used #showusyourleave as an employer branding opportunity, highlighting extensive leave policies to attract candidates in a tight labor market. But many parents chimed in to tell a different story.

In the United States, paid parental leave can be hard to come by. But companies that do a stellar job of supporting new parents — rather than leaving them worried about how they'll afford diapers — are much better positioned to attract and retain talent. When working parents feel like their employer has their back, they're happier and more productive, which is better for companies too. Let's take a look at why.

Many countries offer generous support after the birth of a baby. In the United Kingdom, working parents are eligible for 39 weeks of paid leave. In Norway, they get 49. In Estonia, they're allowed a whopping 80+ weeks. The Family and Medical Leave Act of 1993 ensures that U.S. workers are guaranteed 12 weeks unpaid leave. That makes the U.S. the only developed country in the world with no national paid parental leave policy. A few states, such as New Jersey, California, New York, and Rhode Island, offer partial wage replacement for parental leave. Beyond that, it's up to U.S. companies. According to a Harvard Business Review [article](#), only 21% of the U.S. workforce has access to employer-provided paid leave.



Attract Talent

Parental leave is more important than ever, after parents and families have been strained nearly to the breaking point by the pandemic. It also speaks to what candidates are looking for most in this tight talent market: work-life balance. For many candidates, paid leave — or lack of it — can be a dealbreaker when considering a job. In a 2016 Deloitte survey, **77% of respondents said that their decision to take a job would be influenced by whether an organization offered paid leave** — and how much time they allowed. Half said they'd rather have more paid leave than a raise. Companies that offer great family leave benefits can use it as a recruiting tool and sing about it from the rooftops.

Appeal to a Millennial Workforce

It's estimated that by 2025, 75% of the world's workforce will be made up of millennials. One of the great things about millennials is that they have a fresh understanding of what it means to be a family and they value family leave more than previous generations. In an EY generation study, roughly 83% of millennial respondents in the United States said they'd be more likely to join a company offering flexibility and parental leave.

Retain Top Talent

Companies often worry that paid parental leave will cost too much, a concern particularly for smaller companies. But there's an upside that organizations sometimes overlook: Employees are more likely to stay at companies that offer paid leave as well as a gradual return-to-work policy. A study by the Center for Women and Work found that women who take paid leave are 93% more likely to be in the workforce nine to 12 months after a child's birth than those who take no leave. When Google expanded its paid parental leave policy from 12 to 18 weeks in 2007, the retention

50%

The drop in the female attrition rate at Google when the company extended maternity leave from 12 weeks to 18 weeks



rate of women post-maternity-leave jumped by 50%. Accenture found that attrition among mothers dropped by 40% when the company extended its paid maternity leave from eight to 16 weeks. Depending on the seniority level of the employee, it can cost an employer up to 400 percent of their annual salary to replace them. Parental leave may cost a whole lot less.

Everyone Benefits When Men and Non-Birthing Parents Take Leave

If companies want to retain women, it's especially important that they create cultures where men and non-birthing parents feel like they can take parental leave too. Men have often been hesitant to take parental leave because they fear disapproval and worry that it will signal a lack of dedication to their jobs. But men also need time to bond with their babies. And studies show that when men take parental leave, women are more likely to remain in full-time employment, experience a smaller wage gap, and occupy leadership and board positions. A Swedish study found that for every month a new father takes off, the mother's income



rises 6.7% when measured four years later. That's one of the reasons why Sweden gives men three months of required parental leave. In addition to closing the wage gap, men taking leave confers another benefit: Fathers and non-birthing partners who take extended parental leave are more likely to be empathetic and supportive of working parents when they return. Employees want empathy in

the workplace now. And there's nothing like being in the trenches, stroller, and all, to make you feel for what another working parent is going through.

So, how does your company's parental leave benefit stack up? Connect with your Centricity Team to review your current policy and discuss ways you can enhance your benefit offerings to attract and retain talent.

California's 2022 COVID-19 Supplemental Paid Sick Leave – What Employers Need to Know

On February 9, 2022, California Governor Gavin Newsom approved Senate Bill 114 (“SB 114”), which entitles most California employees to a new bucket of COVID-19 supplemental paid sick leave. The law took effect immediately and was retroactive to January 1, 2022. California’s prior law entitling workers to COVID-19 supplemental paid sick leave expired on September 30, 2021. The bill was proposed in response to the surge of the “Omicron” variant during the winter of 2021. SB 114 has many similarities to California’s prior law providing employees with COVID-19 specific paid sick leave. Both laws apply only to employers with 25 or more employees. Both laws also entitle most full-time employees to a total of 80 hours of paid leave, which must generally be paid out at the employee’s regular rate of pay. One significant difference, however, is that SB 114 provides for two separate 40-hour buckets of paid leave that can be used for different purposes. Specifically, employers must provide a maximum of 40 hours of paid leave to employees who are unable to work or telework for any of the following reasons:

- The employee is subject to a quarantine or isolation period related to COVID-19.
- The employee has been advised by a health care provider to self-quarantine due to concerns related to COVID-19.
- The employee is attending an appointment to receive a vaccine or a vaccine booster for protection against contracting COVID-19.
- The employee is experiencing symptoms or caring for a family member who is experiencing symptoms, related to a COVID-19 vaccine that prevent the employee from being able to work or telework.
- The employee is experiencing symptoms, or caring for a family member experiencing symptoms, related to a COVID-19 vaccine or vaccine booster, that prevent the employee from being able to work or telework.
- The employee is experiencing symptoms of COVID-19 and seeking a medical diagnosis.
- The employee is caring for a family member who is subject to a quarantine or isolation order or who has been advised to self-quarantine by their doctor.
- The employee is caring for a child whose school or place of care is closed or otherwise unavailable for reasons related to COVID-19 on the premises.



Employers must also provide an additional 40 hours of paid leave to employees if the employee or their family member tests positive for COVID-19. A significant change implemented by SB 114 is that employers are now permitted to require proof of a positive test in these situations. Specifically, the employer may require employees requesting additional leave under the second bucket to submit documentation of their positive COVID-19 status on or after the fifth day after their positive test was taken. If the employer wishes to implement this requirement, they must pay for any testing required. Your Centricity HR partner is available to answer any questions you might have regarding this policy.

Falconer, M. (2022, February) [An Employer's Guide to California's 2022 COVID-19 Paid-Sick-Leave Law](https://www.shrm.org/resourcesandtools/legal-and-compliance/state-and-local-updates/pages/california-2022-covid-19-paid-sick-leave-law.aspx). Retrieved from <https://www.shrm.org/resourcesandtools/legal-and-compliance/state-and-local-updates/pages/california-2022-covid-19-paid-sick-leave-law.aspx>

I-9 ALERT:

DHS Extends Form I-9 Requirement Flexibility

The Department of Homeland Security (DHS) and U.S. Immigration and Customs Enforcement (ICE) announced an extension of the flexibility in complying with requirements related to Form I-9, Employment Eligibility Verification, due to COVID-19.

This temporary guidance was set to expire December 31, 2021; however, as an ongoing precautions related to COVID-19, DHS has extended the Form I-9 requirement flexibility policy until April 30, 2022

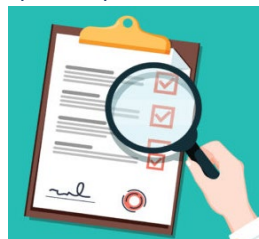


DHS Ending COVID-19 Temporary Policy for Form I-9 Expired List B Identity Documents

Beginning May 1, 2022, the Department of Homeland Security (DHS) is ending the COVID-19 Temporary Policy for List B Identity Documents and employers will no longer be able to accept expired List B documents. DHS adopted the temporary policy in response to the difficulties many individuals had with renewing documents during the COVID-19 pandemic. DHS is ending this flexibility because document-issuing authorities have reopened and/or provided alternatives to in-person renewals so starting May 1, 2022, employers must only accept unexpired List B documents. If an employee presented an expired List B document between May 1, 2020, and April 30, 2022, employers are required to update their Forms I-9 by July 31, 2022.

California Bill May Reduce Delay in Background Checks

Last year, the California Court of Appeal ruled in [All of Us or None of Us v. Hamrick](#) that an individual's date of birth and driver's license number could not be used as data identifying a criminal defendant in public records. Based on that decision, many courts around the state redacted birth dates and driver's license numbers from their indexes, causing routine background checks to be much more difficult to obtain. Consumer reporting agencies have historically relied on these court indexes to complete criminal background checks in California. The inability to verify an individual's criminal record based on personal identifiers such as date of birth and a driver's license number has adversely impacted these agencies' ability to satisfy the accuracy of report requirements under the Fair Credit Reporting Act and the like. A



proposed bill, SB 1262 may resolve the issue by requiring publicly accessible electronic criminal defendant indexes to permit searching and filtering of results based on a defendant's driver's license number or date of birth or both. While SB1262 is pending in the legislature, employers should carefully review background checks and continue to follow the process of individualized assessment and notice required by state, federal and local ordinances when assessing if an employee or applicant should be disqualified from a position.

Looking Ahead to Quarter 2: Opportunities for Diversity and Inclusion



Juneteenth is not just Black history; it is American history. Over the past few years, in the wake of countrywide Black Lives Matter protests, many U.S.

organizations have taken to acknowledging Juneteenth, or June 19, the anniversary of the day in 1865 when the last group of enslaved Black Americans were freed by Union troops. Some have offered a paid company holiday for all employees; others, an extra floating holiday to use on Juneteenth or another day, an event to celebrate Juneteenth with Black ERG groups, or learning sessions for all staff. For DEI scholars and practitioners, it's heartening to see this recognition and high energy around a historic moment previously only recognized by those in the minority. However, many Black and other POC employees are rightfully asking, why now? We believe companies can approach Juneteenth in a way that significantly enhances their diversity, equity, and inclusion work. This anniversary is a tangible opportunity to amplify understanding of the unique experience of Black Americans and serve as a catalyst for conversations about intersectionality.

History of Juneteenth

Although President Lincoln signed the Emancipation Proclamation ending slavery in the Confederacy in 1863, many southerners sought to evade the executive order by moving enslaved people to Texas, the most Western of the slaveholding states. However, Union troops pursued them, arriving in Galveston in the summer of 1865 and finally freeing more than 250,000 Black Americans. Enslaved people were then formally emancipated, and slavery officially abolished by the 13th Amendment in December 1865. Juneteenth, also known as "Jubilee Day", is sometimes referred to as **America's actual Independence Day, since July 4, 1776, symbolizes liberty and justice for only some Americans, not all.** This sentiment is deftly captured in Frederick Douglass' 1852 speech "The Meaning of July Fourth for the Negro," in which he wrote, "This Fourth July is yours, not mine. You may rejoice, I must mourn." Of course, the fight for equity and justice for Black Americans continues to wage on even today. And that's why it's so important that organizations have begun to recognize June 19 as another pivotal date in U.S. history.



In light of Diversity and Inclusion efforts such as the Black Lives Matter movement (BLM) across the nation, everyone in your business should be encouraged to participate in Juneteenth activities. It helps employees be more aware of the importance of embracing social justice and keeping their companies progressing towards global change. Interested in celebrating Juneteenth at your job? We've compiled a list of fun and unique ideas below. Many communities across the United States host yearly Juneteenth parties, concerts, and festivals. But since COVID-19 cases have continued to rise, many of these events have moved to virtual video calls. However, your organization can still take part in the online experience by sponsoring or donating to an event. You can also consider giving your employees paid time off (PTO) on June 19th and allow them to spend the day volunteering around their neighborhood. (A growing number of businesses are treating the day as a holiday already.) Start by providing a list of community service projects, or local Juneteenth events and ask how your workers can get involved.



LGBTQ workers earn about 90 cents for every dollar U.S. workers make on average, according to a report by the Human Rights Campaign (HRC)

Foundation. The study, published in January, examined median weekly wages for full-time workers employed in the public and private sectors. It did not include those who are working part time, self-employed or in informal jobs. "Given that LGBTQ+ adults are more likely to be unemployed and part-time employed, if we were to compare the wage gap for all adults, not just full-time workers, it would likely be much larger than what we see here," said Shoshana Goldberg, director of public education and research at the HRC Foundation.

LGBTQ people of color earn even less compared with overall average earnings. Native American (70 cents on the average dollar) and Black (80 cents on the average dollar) individuals earn the least among LGBTQ workers by race. Latinx workers earn about 90 cents and white workers earn about 97 cents for every dollar of average earnings. Asian and Pacific Islander workers earn about the same as the average. This wage gap contributes to economic disparities among the LGBTQ population. For example, LGBTQ adults are more likely to experience food insecurity, poverty and economic instability. Lower wages underlie these disparities. "Lower wages may also reflect positions that lack benefits, which can further exacerbate health care access barriers," Goldberg said. "LGBTQ+ adults are also more likely to report forgoing or delaying needed medical care due to costs, which can put them at risk for undertreatment of both acute and chronic health conditions."

Jean-Marie Navetta, director of learning and inclusion at the LGBTQ awareness organization PFLAG, said wage disparities also make it difficult to save money, jeopardizing safety nets, retirement funds and generational wealth. Navetta believes businesses should implement policies that make it easier for employees and business leaders to identify existing wage gaps. This includes transparent policies on pay as well as annual assessments of pay data disaggregated by sexual orientation, gender and gender identity. Employers can leverage this information to identify and resolve wage gaps. "We must recognize that when pay is equal, we all benefit," she said. "People perform better, and the long-term outcomes are better." Employee benefits have also been an issue among LGBTQ workers. A 2018 study by the HRC Foundation showed that less than half of LGBTQ respondents were in jobs that covered parental leave for new parents of all genders or jobs that offered it equally for birth parents and those who adopt or foster a child.



"Employers and HR professionals must ensure that benefits packages are inclusive of both legal spouses and domestic partners, as well as the many different ways a family can parent, in order to ensure that

LGBTQ+ families have equal access to financial benefits available to cisgender and heterosexual families," Goldberg added. Navetta noted how studies assessing LGBTQ lives enable business leaders, HR professionals and others to better understand the disparities and challenges this population faces. "The experiences of people within [the LGBTQ] community are vastly different, and the only way to have an informed conversation about that is through research," Navetta said. "We can all be part of the solution. It takes all of us."

Opposite Page—Washington, E. (2021, June) [How Your Organization Can Recognize Juneteenth](https://hbr.org/2021/06/how-your-organization-can-recognize-juneteenth). Retrieved from <https://hbr.org/2021/06/how-your-organization-can-recognize-juneteenth>

Gonzales, M. (2022, February) [Effects of LGBTQ Wage Gap Lingers](https://www.shrm.org/resourcesandtools/hr-topics/behavioral-competencies/global-and-cultural-effectiveness/pages/effects-of-lgbtq-wage-gap-linger.aspx). Retrieved from <https://www.shrm.org/resourcesandtools/hr-topics/behavioral-competencies/global-and-cultural-effectiveness/pages/effects-of-lgbtq-wage-gap-linger.aspx>