



Checklist:

Is your business
still compliant in
2024?

2024 Compliance Checklist



Now that we've passed the halfway mark in the year let's look at the top four regulatory changes from 2024 that could affect your business and outline the action you need to take to ensure you're still compliant.

Disclaimer: This checklist is a general guide and does not constitute legal advice. It is essential to consult with legal counsel to ensure that the acts below and any applicable state or local laws are followed.

New Overtime Rule

To address wage stagnation, the DOL has **issued a new overtime rule** that increases the minimum salary levels for certain white-collar exemptions. The increases will occur in two phases:

- **July 1, 2024:** The standard salary level for the executive, administrative, and professional exemptions will increase to \$43,888 per year, and the highly compensated exemption level will increase to \$132,964 per year.
- **January 1, 2025:** The standard salary level for the executive, administrative, and professional exemptions will increase to \$58,656 per year. The highly compensated exemption level will increase to \$151,164 per year.

NOTE:

The rule includes provisions for automatic salary level adjustments every three years starting July 1, 2027.

YOUR NEXT STEPS:

- Identify all exempt employees and current salary levels:** Review personnel records to determine which employees are classified as exempt and their current salaries.
- Identify each employee below the new minimum salary threshold:** Determine which exempt employees will be affected by salary increases.
- Identify the total cost to raise salaries to the minimum level:** Calculate the financial impact of increasing salaries to comply with the new rule.

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YOUR NEXT STEPS:

Decide whether you will raise their salary or convert them to non-exempt status: Weigh the costs and benefits of each option. If you choose to reclassify employees, consider:

- How to determine their hourly rates
- How to calculate their regular rate
- How to track hours worked
- How their benefits may be impacted

Construct a careful communication plan: Develop a clear and consistent message for employees regarding any employment status or compensation changes.

Evaluate white-collar exemptions: The additional criteria goes beyond just the salary threshold. To qualify for these exemptions, employees must meet three criteria:

- Be paid on a salary basis
- Be paid at least the designated minimum weekly salary
- Perform certain duties.

NOTE:

Now is a good time to review your exempt jobs for compliance with all criteria – not just the salary threshold.

**Have questions?
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OR keep reading!**



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Pregnant Workers Fairness Act (PWFA)

The **Pregnant Workers Fairness Act (PWFA)** has ushered in a new era of workplace protections for pregnant employees. This groundbreaking legislation, enacted on June 27, 2023, mandates that employers provide reasonable accommodations to pregnant workers unless doing so would impose an undue hardship. The Equal Employment Opportunity Commission (EEOC) issued final regulations on April 15, 2024, and these regulations took effect on June 18, 2024, so employers must understand their obligations under this law.

YOUR NEXT STEPS:

Policy and Procedure Review

Develop or Review Pregnancy Accommodation Policy: Ensure your policy outlines the process for requesting and granting reasonable accommodations for pregnancy-related limitations.

Train Management and HR: Provide comprehensive training on the PWFA, its requirements, and your company's accommodation policies.

Update Anti-Discrimination Policy: Include pregnancy, childbirth, and related medical conditions as protected categories.

Review Job Descriptions: Ensure job descriptions accurately reflect essential functions and physical requirements.

Accommodation Process

Interactive Process: Establish a clear process for engaging in an interactive process with employees who request accommodations.

Documentation: Maintain detailed records of accommodation requests, the interactive process, and decisions made.

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YOUR NEXT STEPS:

Workplace Environment

Rest Areas: Provide adequate rest areas with seating and access to water.

Accommodations for Lactation: If applicable, provide lactation rooms or private spaces for pumping.

Employee Communication

Inform Employees of Rights: Communicate the PWFA and your company's accommodation policies to all employees.

Encourage Requests: Ensure employees understand their right to request accommodations without fear of retaliation.

Confidentiality: Maintain strict confidentiality regarding employee medical information.

Recordkeeping

Medical Documentation: Determine what medical documentation, if any, is required to support accommodation requests.

Retention of Records: Maintain accurate and complete records of accommodation requests, the interactive process, and decisions made.

Additional Considerations

State and Local Laws: Be aware of any state or local laws that may provide additional protections for pregnant workers.

Disability Accommodations: Understand the overlap between the PWFA and the Americans with Disabilities Act (ADA), and ensure compliance with both.

**More important
information!**



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Pay Transparency Laws

Pay transparency is mandated on a state-by-state basis. It's important to know if your state's law will change. If so, there are a few simple steps to follow.

YOUR NEXT STEPS:

Data Assessment and Analysis

- Collect salary data:** Gather comprehensive salary data for all employees, including historical information.
- Analyze pay equity:** Conduct a pay equity analysis to identify potential disparities based on protected characteristics.
- Develop salary bands:** Create salary bands for different job roles and levels to ensure consistency.

Job Posting and Recruitment

- Include salary ranges:** Clearly state salary ranges or pay scales in all job postings.
- Update job descriptions:** Ensure job descriptions accurately reflect the role and responsibilities.

Employee Communication

- Develop a communication plan:** Create a clear and consistent message about pay transparency.
- Inform employees:** Communicate the new pay transparency policy to all employees.
- Address employee concerns:** Provide opportunities for employees to ask questions and address concerns.

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YOUR NEXT STEPS:

Internal Processes and Systems

Update HR systems: Modify HR systems to accommodate salary range requirements and reporting.

Review offer letters: Ensure offer letters comply with pay transparency laws.

Train managers: Provide training to managers on how to discuss compensation openly and fairly.

Ongoing Compliance

Monitor for changes: Stay updated on any changes to pay transparency laws.

Conduct regular audits: Perform periodic reviews of pay practices to maintain compliance.

Data privacy: Ensure compliance with data privacy regulations when handling salary information.

By following this checklist and recruiting the support of MP's HR and compliance experts, you can help ensure your business complies with the most significant regulatory updates of the year while providing a supportive environment for your employees.

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