

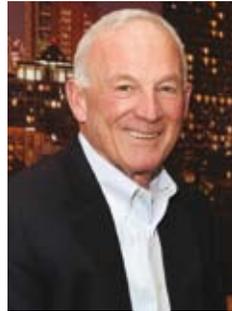


San Diego Employers Association

SDEA Newsletter | August 2014

SDEA's Strategic Leadership Series features:
District Attorney Bonnie Dumanis, Sheriff Bill Gore,
& Police Chief Shelley Zimmerman

Wednesday, August 13 at 11:30 a.m.



SDEA's Summer Strategic Leadership Series features San Diego District Attorney Bonnie Dumanis, Sheriff Bill Gore, Police Chief Shelley Zimmerman and will be moderated by Jerry Sanders, President and CEO of the San Diego Regional Chamber of Commerce. The event takes place on Wednesday, August 13th at Crowne Plaza Mission Valley.

In this event, three of San Diego's top law enforcement executives will discuss their approach to leadership and their personal leadership philosophies. All three individuals come from varied backgrounds, and each has developed a unique approach to leadership which has served them throughout their careers.

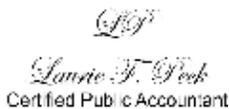
- 2 Minimum Wage Goes Up
- 3 Summertime Reminder on Heat Illness Prevention
- 4 Setting Realistic Expectations for Retirement Savings
- 5 August Classes and August 19th Roundtable - Drug Policies
- 6 NEW Program: Evolution of an Employee Begins October 14
- 7 Summer/Fall Roundtables- Save the Dates
- 8 HR Helpline Questions Answered

**Wednesday, August 13, 2014
11:30 a.m. - 1:30 p.m.**

**Crowne Plaza Mission Valley
2270 Hotel Circle North
San Diego, CA 92108**

**Registration: SDEA Members: \$49
Non-Members: \$59**

**Includes lunch and networking.
To register, visit www.sdea.com**



City of San Diego Raises Minimum Wage and Mandates Paid Sick Leave

By Aaron A. Buckley
with Paul, Plevin, Sullivan and Connaughton

Currently the federal minimum wage is \$7.25 per hour. California's minimum wage increased from \$8 to \$9 per hour on July 1 of this year, and is scheduled to rise again to \$10 per hour on January 1, 2016. Employees must be paid the higher of any minimum wage in effect, which means workers in San Diego are currently subject to the state minimum wage.



The vote by the City Council will, for the first time, establish a minimum wage within the City of San Diego that will be higher than both the federal and state minimums. San Diego's minimum wage will apply to all private sector employees who work at least two or more hours per calendar week within the city limits. These employees must be compensated for each hour worked within the city limits at the following minimum hourly rates:

Beginning January 1, 2015:	\$9.75
Beginning January 1, 2016:	\$10.50
Beginning January 1, 2017:	\$11.50

Beginning January 1, 2019, the city's minimum wage will increase in January of each year based on the prior year's increase in the Consumer Price Index.

San Diego's new paid sick leave mandate takes effect April 1, 2015, and requires employers to provide employees with one hour of paid sick leave for every 30 hours worked within the city limits, with a maximum accrual of 40 hours per year. Employees may begin using paid sick leave on July 1, 2015. Paid sick leave may be used for the employee's own illness or medical appointment, to care for an ill family member, or to take time off for reasons related to domestic violence.

Employers may require paid sick leave to be used in increments of at least two hours, and may limit an employee's use of paid sick leave to 40 hours per year. Employees will be allowed to carry over unused sick leave to the following year, but employers are not required to pay out unused sick leave upon the employee's separation from employment. Employers already providing paid sick leave that meets the requirements of the ordinance are not required to provide any additional sick leave.

The measure also requires employers to post notices of the new ordinance within the workplace by April 1, 2015, and to provide each new employee with written notice of the minimum wage and paid sick leave requirements after that date. The city will make notice materials available to employers by April 1, 2015.

The ordinance also creates a city Enforcement Office to enforce the minimum wage and paid sick leave requirements, and establishes a civil penalty for most violations of up to \$1,000. Violations of the notice requirement may be assessed at \$100 per employee, up to a maximum of \$2,000.

Summer Is Here!

Timely Tips on Heat Illness Prevention

By Jennifer Jacobus, PHR-CA

In San Diego we typically experience our hottest months in August and September. For those employers who have employees who work outside or in a work environment that is subject to high temperatures, this is a good time to review your Heat Illness Prevention policies and make sure your supervisors and managers are trained on how to recognize signs of heat illness as well as the rules and regulations with regard to Heat Illness Prevention.

- Employers must make available one quart of water (at least) per hour, per employee.
- Shade must be provided. Temporary shade such as a canopy is acceptable and the employee must be allowed the opportunity to cool off in the shade for at least five minutes anytime they feel that a "recovery period" is required.
- Recovery periods are designed to prevent heat illness. Cal/OSHA regulation 3395(d)(3) states that "employees shall be allowed and encouraged to take a cool-down rest in the shade for a period of no less than five minutes at a time when they feel the need to do so to protect themselves from overheating. Such access to shade shall be permitted at all times."
- Both supervisors and employees must be provided with training on prevention, detection, and appropriate responses to possible heat illness. Specific topics would include: drinking plenty of water, personal risk factors such as weight and fitness, and company policy regarding potential heat injuries.



Labor Code section 226.7 now specifically provides that an employer cannot require employees to work during any "recovery period". An employer who requires an employee to work during a recovery period must pay one-hour of premium pay for each day that the recovery period is not provided.

Because the recovery period can be taken on an "as-needed" basis, this can create challenges for employers. Unlike meal and rest breaks, there are no set time periods for recovery periods/breaks. Instead, the employee decides when the recovery period is needed to protect him/herself from overheating. If needed, the recovery periods must be provided throughout the day.

Update Your Employee Handbook - \$100 Off Through 8/31



With the legal updates surrounding minimum wage going into effect this month, now is a good time to plan to review and update your Employee Handbook.

SDEA's expert HR consultants can assist you in completing this project. Now through August 31, 2014, **receive \$100 off your Handbook Update.** To start the process email info@sdea.com or call 858-505-0024.

Lassoing the Retirement Moon: Setting Realistic Expectations

Contributed by Sean Ciemiewicz with Retirement Benefits Group

George and Mary Bailey, both 55 and active, want to retire early, in 2019. They need to be realistic about what lifestyle they can afford after they stop working.

George and Mary live frugally. Late last year, they paid off the mortgage on their home, which is now worth \$200,000, and have no credit card debt. Their two kids have graduated from college and have launched their careers. Freedom beckons.

Combined, the couple earns \$51,000 a year, the median household income in the United States for 2013, of which they spend about half on fixed expenses. They set aside 5% of their income each year in their company retirement plans.

Their dream is to take an extended trip to Hawaii around their 60th birthdays, and then eventually buy a small bungalow in a retirement community somewhere in the Southwest.



Crunching the numbers

To determine whether these are realistic goals, let's look at the couple's overall financial situation in more detail. The Baileys have saved diligently and managed their money well, and have set aside \$500,000 in their Roth retirement accounts. If they sell their home in five years for \$250,000 and their retirement savings earn, on average, 8% a year and grow to \$750,000 in that time period, they will have a total of \$1,000,000 to spend on their retirement. (Assume that they won't take Social Security until 67).

At this rate, George and Mary easily will retire at 60 as millionaires. Sound like a perfect plan? Unfortunately, the numbers tell a different story. If they use a conservative rule of thumb to withdraw no more than 4% of their savings in their first year of retirement, the newly retired couple will have \$40,000 to spend that first year. Assuming the two-week Hawaiian junket will cost them \$10,000 and that their fixed monthly expenses are \$2,000, their projected first-year income will just barely cover living costs and the dream trip.

Remember that the Baileys are active and healthy, so they likely will need their million-dollar nest egg to last well into their 80s and 90s. In addition, the Baileys will need to live somewhere. Even if they are able to buy a modest retirement home for \$200,000, that will reduce their total available retirement funds to \$800,000 in year two of their will have \$40,000 to spend that first year. Assuming the two-week Hawaiian junket will cost them \$10,000 and that their fixed monthly expenses are \$2,000, their projected first-year income will just barely cover living costs and the dream trip. The Baileys clearly need to reframe their expectations about their retirement. Here are a couple of possibilities that could help them find that "wonderful life":

They can increase their current savings rate to 25% of their pre-tax income. Assuming the same average rate of return, this will boost their savings to \$812,168 at age 60 and their first-year retirement income to \$42,487. They can delay their retirement date and house sale to age 65—giving them five additional years of contributions. If their contributions earn 8% annually, their nest egg will grow to \$1,520,845 by the time they reach 65, and a first-year withdrawal of 4% will net them \$60,834 in income—more than enough to cover their fixed expenses and trip to the islands (and maybe an even nicer home).

George and Mary have another option, of course: They can set their sights lower. But what's the fun in that?

Roundtable: Medical Marijuana in the Workplace

Tuesday, August 19, 2014
11:30 a.m. - 1 p.m. at SDEA

The use of medical marijuana is climbing sharply and you'd probably be hard pressed to find anyone that would argue that California might be just around the corner from legalizing marijuana. Many medical marijuana "users" are your employees or soon-to-be employees.

The impact of medical marijuana use is spilling over into the workplace. This roundtable will address the best approach for workplace policies and practices in light of the growing trend to legalize marijuana.

Roundtable led by Carole Ross, Esq. with Ross Employment Law

\$35 Members | \$45 Non-Members | Lunch from Good On Ya Deli is included

Register at www.sdea.com.



Upcoming Training Opportunities

August 6	Practicing Leadership in the Workplace
August 13	Time Management & Delegation
August 19	Pregnancy Leaves in California (Webinar)
August 20	Employment Law
August 27	Harassment Prevention Training
August 28	Reprimand, Discipline and Discharge
September 9	Strategic Interviewing
September 11	Skills for Working Leaders I

* Eligible for HRCI units | More classes available at www.sdea.com

SDEA's Evolution of an Employee New 3-Part Series Starts on October 14



When new employees are hired to join an organization, we have nothing but positive hope that it will be a long-lasting, mutually beneficial business relationship. But a lot takes place over the span of an individual's employment. From the time the first resume is reviewed to the final paycheck being written, a lot can happen in between. This 3-part course will take you through the different phases that employers may face during the [Evolution of an Employee](#).

October 14: Hiring, protected classifications, discrimination issues; properly classifying employees; new hire paperwork; job descriptions; employee handbook

October 21: Wage/hour; leaves of absences; performance issues and discipline

October 28: Disabilities, workers' comp and accommodations; internal investigations, termination

Tuesday, October 14, 21, and 28, 2014

1 pm – 4 pm

The series is facilitated by Jennifer Jacobus, PHR-CA

Full Series -- Members \$300 | Non-Members \$400

Individual classes -- Members \$115 | Non-Members \$150

To register, visit www.sdea.com or call 858.505.0024



San Diego Employers Association | www.sdea.com | 858.505.0024 | info@sdea.com

Fall 2014 Roundtables at SDEA

Medical Marijuana in the Workplace

Tuesday, August 19

Presented by Carole Ross, Esq.



Carole Ross, Esq.

Little Known Wage & Hour Rules

Friday, September 26

Presented by Lonny Zilberman, Esq.



Lonny Zilberman, Esq.

How To Handle Medical Leaves

Friday, October 17

Presented by Jason Ross, Esq.



Jason Ross, Esq.

Religious Accommodations

Friday, November 14

Presented by Lonny Zilberman, Esq. and
Carolina Bravo-Karimi



Carolina Bravo-Karimi, Esq.

All Roundtables take place from 11:30 a.m. - 1 p.m.

Location: SDEA Training Facility
4180 Ruffin Road Suite 295
San Diego, CA 92123

Cost: \$35 SDEA Members | \$45 Non-Members
Lunch and networking included.



San Diego Employers Association | info@sdea.com | 858.505.0024 | www.sdea.com



SDEA Helpline Q & A

Every month SDEA receives hundreds of calls. Here readers have the opportunity to learn from some of the most common HR questions received by our HR consultants.

Q. We are an employer with more than 50 employees and one of those employees is in need of a leave of absence to take care of her seriously ill husband. She has been here less than a year but will hit her year mark while she is out on leave-how do we handle this issue as far as the Family and Medical Leave Act are concerned? She is a good employee and we would really like to be able to help her out.

A. The FMLA regs state that the employee's eligibility for FMLA is determined by the date the leave is needed. So, if your employee needs to start her leave as of August 1, for example, and will not have been with the company for 12 months until September 1, she is not entitled to protected leave under FMLA. Assuming the company does not have other leave options available to this employee or she does not have enough paid time off available, you do not have to grant the time off.

You can, however, consider a couple of options:

1) you could go ahead and allow the employee to start FMLA as of the first day of her leave (considering she is so close), or 2) you could allow her to take a "personal" leave for the first 30 days, and then begin the FMLA clock in September. This is of course under the assumption that you are allowing her to take the leave at all. If you are going to grant the leave anyhow, you might as well count the time towards FMLA so that this same employee can't come back later in the year and request another full 12 weeks. In that case, she would only be eligible for what she had not already taken, assuming your 12-month calendar works that way.



Q. My employee was injured at our workplace and according to our company's drug policy, we sent him for a post-accident drug test. He tested positive for marijuana, but he presented a medical marijuana card to us in his defense. Are we able to terminate him? If not, should we consider implementing a random drug testing program?

A. According to California's Compassionate Use Act of 1996, individuals may use marijuana for various medical conditions but it is unlawful under federal law. Therefore, in this case you are not required to accommodate your employee with the medical marijuana card and may proceed with termination as a result of a company policy violation. Drug testing and medical marijuana cards are a common issue for employers and this question is a good reminder to review your drug and alcohol policies and even more specifically your testing policies. For example, many policies prohibit the use of drugs and alcohol, but do not specify the company's drug testing procedures. Due to privacy rights in California, it's important to lay out when an employer will and will not test. Drug testing is only allowed by employers in the following incidents: post-accident, pre-employment, as part of a physical examination and due to "reasonable suspicion". Random drug testing in California is illegal under most circumstances.

Advertising And Article Submission Information

This newsletter is published monthly by the San Diego Employers Association (SDEA). We welcome the submission of articles by our members on topics of interest related to HR. Date for submission of materials and advertising is the 15th of the month prior to publication on the 1st of each month. If you are interested in submitting an article or obtaining advertising rates, please email info@sdea.com.