

# Compliance ‘Trifecta’ Federal, State, and Local Laws Key in Reopening

**PAYCHEX**  
Business  
Series

Coronavirus



**Gene Marks**

CPA, Columnist, and Host



**Kate Hill**

Employment Law Compliance Analyst,  
Paychex

## Full transcript

**Gene Marks:**

Hey everybody, and welcome back to the Paychex business series podcast. My name is Gene Marks. I am a certified public accountant and a regular business columnist for a bunch of publications that you probably know, like *The Guardian*, *The Philadelphia Inquirer*, *The Hill*, *Forbes*, and *Entrepreneur*, but more importantly, I’m a small business owner. My 10-person company provides financial and technology management services, and I’m always in need of expert advice. That includes real-life advice from real-life business owners like myself on how they’re handling the challenges of running their small businesses.

That’s what this podcast is all about. I also get advice from people that are out in the field and advising their clients and their customers as to best practices and things that they should know for running their business. One of those people is Kate Hill, who is an employment law compliance analyst at Paychex.

**Kate Hill:**

Gene, thanks for having me. I’m happy to be here with you today.

**Gene Marks:**

I’m glad that you’re here as well. You specialize in all sorts of things related to the nuts and bolts of wages and managing employees. We have a lot of things going on now as we bring our employees back to business. I guess my first question to you is, because you do specialize in wages and paying your employees, what are some of the issues and some of the things that a business owner should be thinking about right now when it comes to paying your employees as we start reopening our businesses?

**Kate Hill:**

Oh my goodness, there's so much that businesses have to be thinking about right now. It's certainly a challenging time, as you well know, as a business owner yourself. If we were going to keep it simple, the first thing I would say is to be aware of what I call the trifecta—the trifecta of compliance. Be aware of federal, state, and local law.

It used to be that we'd see pendulums of migration when it came to different waves of legislation. Sometimes we'd see the federal government being very active and the local and state not so much. Then, sometimes we'd see the states and locals being real active and the federal not so much. I would say now is a time with that trifecta—federal, state, and local—we're seeing a lot of activity from all of them.

If you're a business owner, even if your business has stayed open—and how fortunate and lucky for you—it's been a lot of hard work to stay open. If you're a business that has been forced to close, no matter where you are, now is a great time to really look back and to see what has stayed the same and what has changed on federal, state, and local levels when it comes to wages and hours, paid family leave, and anything else that might impact your ability to remain open or to open.

**Gene Marks:**

Sure. You mentioned paid family leave. Again, that is a big impact for a lot of employers. Can you give us your thoughts on what we should be aware of when it comes to the new paid family leave laws, the emergency ones?

**Kate Hill:**

They're not simple. At Paychex we try and keep it simple. Several of the different legislations are hundreds, if not thousands of pages. The first thing I would share with a business owner, or someone who is in HR at a small or medium-sized business, is to start with a summary of the law. Now, Paychex has a number of different summaries of the Families First Coronavirus Response Act, the FFCRA. That was one of the first federal legislations that talked about paid and also some unpaid leave protection in there, and states, a number of states, have enacted their own different legislation, and even the locals. Particularly in California, we're seeing a number of different counties and cities that have enacted paid family leave or paid sick leave.

**Gene Marks:**

Got it. Yeah. You really have to pay attention to what your state is doing, in addition to what the federal government ... How about returning to work? What should be some of the things that employers should be considering, Kate, as their employees are coming back to the office?

**Kate Hill:**

Before the return to work, business owners are going to want to give some real thought and come up with a plan if they don't already have one. Now, many businesses had what we refer to as a BCP, or a business continuity plan. Whether you had one or you didn't have one, it's time to grab it and dust it off, or create a new one, to kind of look through what is your plan: what are you going to do; what order are you going to do it in. I think employers are really going to want to look at designating a point person or a core return-to-work team that's going to handle the companywide policy decisions. Now, Gene, if it's a company like yours that has 10 employees, it might be one person ...

**Gene Marks:**

You're talking to him.

**Kate Hill:**

... or it might be two or three. Right. You are the committee, you've been established. If it's a larger company—and maybe you operate in more than one physical location, maybe you're in two states, maybe you're in two cities, maybe you're in the same city but the two different locations—are two different things. Whatever your situation might be, you might want to get that group together that can make those decisions.

The other thing that I would say, it's easy to go online maybe and find someone else's plan, or maybe your friend owns a company and they've got a plan. If your plan isn't tailored to your business, it might not be as successful as if you fine-tuned it for yourself. It's okay to start someplace, but make those fine-tuned decisions and fine-tune it for your own business.

**Gene Marks:**

You know what I'm thinking, Kate, is that some of my employees have been working from home, or we've been sort of at a standstill, and then we're now allowed to reopen, so we're reopening. Everybody's coming back to work. Why would anything be so different? I mean, I understand from safety, the client may be wearing a mask, things like that. Other than that, I mean, why would anything be different? Why would wages be different? Why would I need to have a new continuity plan? It's been two months since I shut my doors. Now I'm allowed to reopen them again. Why am I not just reopening, everybody get back to work, you get your paychecks like you were getting, and we just move forward. What would you say to that?

**Kate Hill:**

Gene, for some businesses, that might be their exact plan, and that might work for them. They may be returning to a workplace where some of the safety considerations about being in close proximity to others or sharing office supplies really don't exist. I think we have to acknowledge, for some, that they are going to open their doors, and they're ready to come back. Now there's that, and then there's all the way to the far end of the spectrum, where maybe we have people who are working one foot away from each other, or two feet away from each other. We do need to think about some different safety issues. We're going to review those CDC and OSHA guidelines and all of those things in a completely different way of thinking.

That wage and hour issue though, you mentioned that, and I want to touch on it, because let's say you have employees, and now you've transitioned them to work from home. Hopefully, you have a telework or a remote work policy. If you don't, as a side note, it's something you might want to think about creating. For some of those employees, you may decide that this work from home is working really good for you. You may not want them to return to the workplace. Along with that wage and hour, you want to think about maybe before the employee was working for you, and your business was located in New York State, but your employee actually lives in New Jersey or Connecticut. We know that wage and hour laws do vary state by state, locality by locality.

You really need to review if there's going to be a change in the working location for the employee. The other thing to consider on those wage and hour [inaudible 00:08:31] is maybe you're bringing your employees back, but your benefits plan, maybe you can't afford to pay 50%, or 30%, or you can't pay at all toward health insurance. If there have been changes in wages, benefits, any of those compensation pieces, there are a number of state and local laws that are going to require written notification to the employee before the change can be made.

**Gene Marks:**

Got it. In wrapping this up, let's talk about when you're reopening your business. What do you think will be the biggest issues that employers will likely face as they reopen, Kate?

**Kate Hill:**

You know what's funny? Well, it's not really funny. The first thing that came to my mind is fear. I think that right now, when we're dealing with coronavirus and the COVID-19 pandemic, 99%—and that's my own survey, there really wasn't one done—but I think most business owners, they want to do the right thing. They want to do right by their employees. There's been so much change. It's really getting over the fear of "What do I need to do?"

I think we can help with that. An HR professional or your legal counsel can help with that, to kind of make sure you've got that plan in place, then have it reviewed, and then to move forward with your plans to reopen. There are so many different things to think about, and having a checklist—there's a return-to-work checklist that's available on [paychex.com](https://www.paychex.com) that can walk you through many of the different considerations as well.

**Gene Marks:**

Fantastic. Kate Hill is an employment law compliance analyst at Paychex. That is great information. I really appreciate all that you brought to the conversation, Kate. For more information about what we discussed today and other coronavirus questions and topics, please visit the Paychex COVID-19 help center. The address is [paychex.com/coronavirus-resources](https://www.paychex.com/coronavirus-resources). Kate, thank you for joining us. Thanks everybody else for listening. We will see you next time.