

EAGA Business Builder

January 05, 2021

Today's speaker was Nestor Romero—The Payroll Company



Mr. Romero signed up to speak at our first meeting of the new year so that he could make sure our members are aware of changing payroll and labor regulations that took effect on January 1st. (and 'No', none of them are an obviously positive change in favor of employers). New Mexico's minimum wage is increasing from \$9.35 to \$10.50. It is also set to increase again on January 1, 2022. The \$10.50 rate compares to a Federal minimum wage of \$7.25 (\$2.13 for service industry workers – like wait staff); Santa Fe minimum wage of \$12.10 (and it increases every year based on C.P.I.). There are exemptions to the minimum wage requirement for any employer that pays at least \$2,500 per year in benefits. The benefits cannot just have been offered to the employee, they have to have actually been paid. In addition to the increased cost for payroll of minimum wage workers, most businesses have to cope with the expectations of already higher paid employees that feel their rate should increase by a similar amount. Another situation of which you should be aware—you should be using the new W-4 form. It is no longer your father's "how many exemptions do you claim?" form. The IRS wants there to be forced withholding so the new document requires more detailed calculations and information to determine how many exemptions can be claimed. If any of your employees say that they want to file the W-4 as 'Exempt' from withholding taxes, they are not able to do that. There aren't any employees that are exempt from payroll taxes. The DOL requires Labor Posters be prominently displayed at every workplace. Nestor has those posters available for any of our members that need them. Mr. Romero also made us aware of a new wrinkle in the paycheck processing industry. It involves mostly the younger generation that regularly lives from paycheck to paycheck. Now they are looking to be paid even faster than that. The new request is that they regularly receive an 'advance' on their pay. It turns out that there are employers who are quite willing to accommodate the request. And there is payroll software that can process and keep track of those payments in a rather easy manner. The rules (at least for now) are that the employee can make the request as many times as want, but a maximum of 50% of the amount due at regular payroll time can be paid as an advance. Today's presentation also provided us with some interesting (or perhaps worrisome) information about a couple of other very pertinent subjects: New Mexico's Unemployment Fund is currently more than \$200 million in debt. The fund will continue to pay claims as long as the shutdowns are in place. If the fund continues to operate with an increasing deficit, the Feds can take over operation of the fund. If they do that, they could also immediately increase every employer's rate to 6%. Another subject was discussed in response to a question from the membership. Can a business require that employees be vaccinated for COVID-19? The answer is that DOL indicates there can be situations when that requirement would be determined to be reasonable. The business has to have a legitimate reason, such as being in an industry that has an extraordinary vulnerability to the coronavirus; either for their employees, or for their customers. Employee exemptions will be allowed—for ADA and religious objections. It is likely that, in the near future, more businesses will request the ability to require vaccination. And the last subject for today: COVID-19 is not covered by Workers Compensation or General Liability insurances. Although there have been rumors that insurance companies are refusing to pay life insurance claims related to Covid-19 deaths, our insurance agent, Kit Turpen, has not seen that to be the case. Certainly his company is not refusing to pay those claims. As a matter of fact, Kit cannot think of any legitimate reason an insurance company could use to justify the rejection...other than possibly if the insured person intentionally infected themselves in an effort to commit suicide. If you would like to know more about today's subjects, you can call Mr. Romero at 505-944-0105. He is definitely an experienced and professional payroll processor, and he stays informed about all the laws and regulations pertaining to that business. Mr. Romero has also just provided information regarding the Second Stimulus Package. It is included in the email with this bulletin. Contact Nestor directly if you have any questions. The document is 9 MB in size, so if your email system rejects it as being too large, please contact Nestor, me or Mario and we will get it to you some other way.

- ◆ Thank you for the very good attendance at today's meeting. Our next meeting will be at 7:00am on January 12th. It is again via the virtual format and the link remains the same. The speaker will be Dr. Michael Melloy—Petroglyph Animal Hospital. It is likely that he will be providing us with interesting information which is related to much more than the medical treatment of our family pet. We all look forward to seeing you there.

<https://global.gotomeeting.com/join/940475581>

You can also dial in using your phone. Call (646) 749-3112 Access Code: 940-475-581

- ◆ There will be a Board of Directors meeting right after the regular meeting on January 12th.
- ◆ Upcoming speakers:

Jan 12th	Dr. Michael Melloy—Petroglyph Animal Hospital
Jan 19th	
Jan 26th	
Feb 2nd	
- ◆ Obviously we are in need of speakers. Please see the email regarding that subject that Mario sent to the membership on Sunday afternoon (January 10th). If you can speak at one of the meetings, it would be greatly appreciated.

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