



# Understanding the US Labor Law & Employment Regulations

**Presenters: Jiayan Lu**

**Organizer : BIPO** | Make Life Easier.

Asia Pacific • Americas • Europe • Middle East & Africa

# Understanding the US Labor Law & Employment Regulations

## Your Webinar Journey



- Presentation slides will be shared.
- Q&A session at the end.
- Use **CHAT function** to share your questions with us!
- Tell us your name and company.

# Understanding the US Labor Law & Employment Regulations

## Session covers

- ✓ About BIPO
- ✓ US Employment Law 101
- ✓ Equal Employment
- ✓ Total Rewards
- ✓ Safety and Health
- ✓ Labor Relations
- ✓ 401(K)
- ✓ US Work Visas
- ✓ US Public Holidays
- ✓ Q&A Session

# SPEAKER



**Jiayan Lu**

**HR Service Delivery Manager, US**

Based out of US, Jiayan serves as HR Service Delivery Manager at BIPO, bringing over 9 years of HR experience. Prior to joining BIPO, she managed Human Resources functions in mid to large size multinational companies in industries including Management Consulting and Manufacturing. Her area of expertise includes HR operations, Compensation and benefits, Payroll, HR information systems, Time and attendance, HR compliance and HR audits.

Jiayan has a Master's degree in Human Resources Management and holds PHR, CAPM certifications.



# About BIPO



# About BIPO

Your Leading One-Stop, Global Human Resource Service Provider.

- ❖ Through our specialised hybrid HR solutions, we offer the best of both worlds – a cloud-based HR technology platform and a comprehensive suite of outsourced HR, payroll and Professional Employer Organisation (PEO) services to manage your global workforce.
- ❖ Trusted by over 2,800 clients, our **27** offices and global infrastructure in **more than 120** countries and regions helps businesses expand compliantly across the globe.
- ❖ Our global footprint: Asia Pacific, Americas, Europe, Middle East & Africa

**B**elonging | **I**ntegrity | **P**rofessionalism | **O**penness

**BIPO** [www.biposervice.com](http://www.biposervice.com)

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# AWARDS & RECOGNITION

HR Magazine

## AWARDS 2021/22

### Hong Kong

- Best HR Vendor (HRIS) – **Gold**



### Singapore

- Best Payroll Software – **Gold**

### Hong Kong

- Best Consultancy of the Year - **Grand Prize Winner**
- Best HR Outsourcing Service Provider – **Gold**



### HRM Asia Readers' Choice Awards 2021

- Best HR Tech
- HRIS – **Gold**
- Time & Attendance Management System – **Gold**

### Malaysia

- Best HRMS (Enterprise) - **Gold**
- Best HRMS (SMB) - **Gold**
- Best Employer of Record Service Provider - **Gold**
- Best Payroll Software - **Silver**
- Best Innovation for HR - **Silver**



### Singapore Business Review

#### Management Excellence Awards 2020

- COVID Management Initiative of the Year – HR Tech

### Hong Kong Business

#### Management Excellence Awards 2020

- COVID Management Initiative of the Year – HR Tech



ISO27001

Information Security Management System  
certification



# Scale Up Your Business with BIPO

**BIPO** | Make Life Easier.

## Globalisation

- Global Mobility Solutions
- Global PEO / EOR solutions
- Supporting companies “going global” and vice versa
- Fast-track your market entry.  
Hire employees globally with 100% compliance.

## Digitalisation

- BIPO HRMS + Workio  
Cloud and mobile-based platform
- Supports the Employee Lifecycle  
from onboarding to off-boarding
- Payroll and Reporting
  - > Payslips
  - > Attendance & Leave Management
  - > Multi-language
  - > Multi statutory compliance

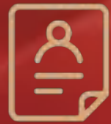
## Compliance

- Employment practices and labor regulations
- Payroll, Statutory Benefits & Tax submissions
- Visa & Work Permit applications
- Data security and privacy
  - > ISO 27001 certification
  - > Hosted on AWS and Ali Cloud

# Global Mobility Solutions (PEO / EOR)

- ❖ Total workforce solutions from on-boarding to off-boarding to scale-up your business efficiently.
- ❖ Supported by a professional team of experienced local talents. **Global experience. Local expertise.**
- ❖ Our integrated, one-stop HR service model offers comprehensive solutions for businesses – from global recruitment options, outsourced HR functions, local HR legal consulting to HR compliance management. Stay compliant, achieve efficiency and simplify overseas deployment and global mobility process with cost control.

## Without overseas business entity established



Professional Employment  
Organization (PEO)



HR Compliance  
Consultancy



Dedicated local support  
and communication



Work Permit  
Application

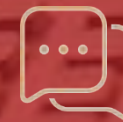
## With overseas business entity established



Local salary  
computation



HR Compliance  
Consultancy



Dedicated local support  
and communication



Work Permit  
Application

# PAYROLL OUTSOURCING SERVICES

Our strength lies in our in-depth knowledge of the relevant labour and tax laws. All that is incorporated into BIPO's HRMS.



ATTENDANCE  
AUTOMATION



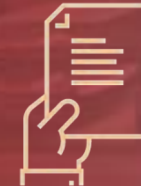
PAYROLL & OVERTIME  
CALCULATION



ROSTERING



TAX  
DECLARATION



EMPLOYEE  
SELF SERVICE



FLEXIBLE  
REPORTING



SALARY PAYOUT



ELECTRONIC  
PAY SLIP



# US Employment Law 101

**01.**

# Introduction



# INTRODUCTION

- Employment law derives from acts passed by Congress, State Legislatures, and local governing bodies.
- Focusing on fair treatment of people in the workplace.
- **Nearly all employment laws can be categorized in the 4 areas of the regulatory environment**



**02.**

# Equal Employment

# EQUAL EMPLOYMENT

- Equal Employment Opportunity Laws prohibit specific types of job discrimination in the workplace.
- EEO laws and executive orders are intended to eliminate employment discrimination.
- The EEOC (Equal Employment Opportunity Commission) is responsible for developing guidelines and overseeing compliance with most anti-discrimination laws.
- Demographic characteristic that cannot be used for employment decisions including ***Race, Sex, Religion, Color, National origin, Age, Disability, Veteran status, Pregnancy, Genetic Information.*** (According to Title VII of the Civil Rights Act).

Equal  
Employment

# EQUAL EMPLOYMENT – CONTINUED

## Discriminatory Practices

*Typically, be grouped under one of four categories:*

1. **Disparate treatment:** *where an individual is treated differently because of the characteristic that defines their protected class.*
2. **Disparate impact:** *a more subtle and usually unintentional form of discrimination that's also known as adverse impact.*
3. **Harassment:** *unwanted and unwelcome treatment because of a protected class.*
4. **Retaliation:** *the law prohibits employers from retaliating against an employee for making the complaint of harassment or discrimination*

Equal  
Employment

**03.**

## **Total Rewards**



# TOTAL REWARDS

A large, rounded square with a brown gradient background and a white border. The text "Total Rewards" is centered in white, with "Total" on the top line and "Rewards" on the bottom line.

## Total Rewards

- Over the course of time, the administration of employee compensation has been regulated by Federal, State and Local governments.
- Timeline of Compensation Regulation:
  - ✓ 1931: Davis Bacon Act
  - ✓ 1936: Walsh-Healey Act
  - ✓ 1938: Fair Labor Standards Act
  - ✓ 1963: Equal Pay Act
  - ✓ 2009: Fair Pay Act
- FLSA (Fair Labor Standards Act), is administered by the Wage and Hour Division of the Department of Labor.
- The Act Establishes standards for minimum wage, overtime pay, recordkeeping and child labor.

# TOTAL REWARDS – CONTINUED

## Total Rewards

- Equal Pay laws provide that no employer discriminate between employees on the basis of sex by paying wages to employees at a rate less than that of the opposite sex.
- The federal minimum wage for covered employee is currently **\$7.25** per hour – and it hasn't been raised since 2019
- 21** states raised their minimum wages effective Jan 1<sup>st</sup>, 2022

State	Previous Minimum wage	New Minimum wage as of Jan 1 <sup>st</sup> , 2022
CA	\$14	\$15
NY	\$12.5	\$13.2
NJ	\$12	\$13

# TOTAL REWARDS – MINIMUM WAGE

Total  
Rewards

- **39** localities – cities and counties – have minimum wages that are higher than their state minimum wage. Ranging from **\$12.32** to **\$17.54**.
- **26** of these raised their minimum wages on Jan 1<sup>st</sup>, 2022.

State	Locality	State Minimum wage	Local Minimum wage as of Jan 1 <sup>st</sup> , 2022
CA	Palo Alto	\$15	\$16.4
CA	San Jose	\$15	\$16.2
WA	Seattle	\$14.49	\$17.27
CO	Denver	\$12.56	\$15.87

**04.**

## **Safety and Health**

# SAFETY AND HEALTH

## Safety and Health

- Workplace safety law consists of federal and state regulations imposed on businesses in an effort to keep employees safe from harm.
  - These rules apply to nearly all employers.
  - Standards are in place to reduce the risk of accidents and illness in the workplace and government agents have the authority to investigate violations and issue citations for non-compliance.
- 
- Offenders are subject to monetary fines, and in some cases, imprisonment and other criminal penalties.
  - The Occupational Safety and Health Administration, [OSHA](#), is the federal agency responsible for protecting the health and safety of workers.
- ### Workers Compensation
- Workers' compensation law is a system of rules in every state designed to pay the expense of employees who are harmed while performing job-related duties.



# SAFETY AND HEALTH – WORKERS' COMP

## Safety and Health

- Employees can recover lost wages, medical expense, disability payments and the costs associated with rehabilitation and retraining.
  - The system is administered by the state and financed by **Mandatory Employer Contributions**.
  - States have enacted Workers Compensation laws to replace traditional personal injury litigation to remove risk for both the employee and the employer.
- 
- Workers' compensation is regulated on the state level, and each state has its own requirements and penalties. Nearly every state requires employers to carry workers' compensation insurance.
  - In some states, you must purchase workers' compensation insurance from a state fund.
  - Typically, the number of employees determines when a business needs workers' compensation insurance. Most often, it's required **as soon as you hire your first employee**.
  - In California, it is a criminal offense to not provide workers' compensation for your employees. It's punishable by up to **a year in jail and a fine of no less than \$10,000 – or both**. Illegally uninsured employers could face a penalty of up to **\$100,000**.

**05.**

## **Labor Relations**

# LABOR RELATIONS

- Laws regarding labor relations help maintain relationships with employees organized by labor unions, including the establishment, negotiations and administration of collective bargaining agreements.
- Three Acts – passed over a period of almost 25 years – constitute the core of U.S. Labor law:
  - Wagner Act of 1935 (National Labor Relations Act)
  - Taft-Hartley Act of 1947 (Labor Management Relations Act)
  - Landrum-Griffin Act of 1959 (Labor Management Reporting and Disclosure Act)

Labor  
Relations



# 401(K): What It Is & How It Works

# WHAT'S A 401(K) PLAN

- A 401(k) is an employer-sponsored, defined-contribution, retirement savings plan. In translation, a 401(k) is a benefit, defined by payroll contributions, that employees can make toward their own retirement. The plan gets its name from Internal Revenue Code, section 401(k), which made it possible for employers to sponsor a retirement savings plan for employees.



# HOW DOES IT WORK?

- A 401(k) plan works much in the same way as other type of tax-advantage retirement savings account.
- However, there are multiple features, benefits, and rules for 401(k) plans that differ from other retirement account types.

Contribution Limits

Employer Match

Withdrawal Rules

- A simplified explanation of how a 401(k) works is that employees who are offered the benefit can elect to make voluntary contributions toward their retirement. Employees can also choose how to invest their contributions by selecting among a set of given investment choices, which are usually mutual funds.

# FEATURES, BENEFITS, AND RULES

## Who can contribute to 401(K):

be actively employed with an employer who sponsors this retirement plan benefit for its employees.

## Eligibility Requirements:

- Usually limited to full-time employees who are aged over 18.
- Waiting period can be set up by employer.

## Contributions and limits:

- Eligible employees may make voluntary contributions, \$ or %.
- The maximum 401(K) contribution for taxable year 2022 is \$20,500.
- Employees over 50 years old can make “catch up contributions” of an additional \$6,500 for 2022.

# FEATURES, BENEFITS, AND RULES - CONTINUED

## Traditional and Roth 401(K) contribution types:

- Pre-tax; Roth: After-tax contributions.

## Employer 401(K) match:

- Many employers make 401(k) matching contributions for employees. The amount of the match is typically determined by a formula.
- **Scenario:**
- \$ to \$ match up to certain limit;
- Example: (employer match up to 4%)
- Employee earns \$40,000 annually, and elect to make \$200 401(K) contribution every half month.
- $\$40,000/24 * 4\% = \$66.67 < \$200$ .
- Employer match per paycheck is \$66.67.

# 401(K) – EMPLOYER ADVANTAGE

## **401(k) tax benefits:**

- Employers can deduct contributions on the company's federal income tax return to the extent that the contributions don't exceed certain limitations.
- Elective deferrals and investment gains are not currently taxed and enjoy tax deferral until distribution.

## **Staying competitive for top talent:**

- The pursuit of hiring great employees often comes down to what you can offer by way of compensation and benefits. Particularly when vying for quality talent with industry competitors, a 401(k) plan — and even better, offering a company match — can help your business stand out if candidates are weighing job offers.

# 401(K) – EMPLOYER ADVANTAGE -- CONTINUED

## **Employee satisfaction and retention:**

- Offering retirement plans can help in employers' efforts to engage employees and reduce turnover. Employees who are making an investment in their future through retirement plans may be less likely to move on to other companies — in particular, when employers make matching contributions or provide additional value it adds to an employee's total compensation.

## **Meeting state mandates:**

- Some states, such as California, Illinois, and Oregon, have rolled out their own retirement savings programs, requiring employers of certain sizes to enroll in a retirement program through the state or establish a qualified plan of their own. Some cities such as New York City are following suit. Employers can take this as an opportunity to not only meet their state's requirements, but also help bridge the gap toward their employees' non-working years who may not otherwise have access to a retirement plan.



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# US Work Visas

# 6 OF THE MOST COMMON U.S. WORK VISAS

## **H-1B Specialty Occupation:**

- Among the various work visa types in the U.S., the H-1B specialty occupation visa is the most popular. The temporary work visa is available to foreign nationals who work in specialty occupations, such as engineering and computer science. Because of the high demand, U.S. Citizenship and Immigration Services (USCIS) applies a yearly cap of 85,000 petitions to the H-1B, of which 20,000 are reserved for individuals with a master's degree. The high number of petitions and the low number of available H-1B visas has brought more attention to other visa types in recent years..

## **The H-1B Lottery:**

- Most first-time H-1B petitions are subject to the annual visa lottery. Annually, the government issues 85,000 total visas. This number is broken down into two groups: 20,000 visas are reserved for H-1B beneficiaries with master's degrees and 65,000 are for everyone else.

# 6 OF THE MOST COMMON U.S. WORK VISAS

## The H-1B Lottery: (continued)

- The lottery used to be held annually every April. However, USCIS has implemented new changes. In late 2019, USCIS announced it would implement its brand-new H-1B Electronic Registration System for the FY 2021 H-1B lottery.
- This system involves major changes, starting first with employers having to electronically register and pay an associated \$10 registration fee. Employers need to electronically register for advanced degrees as well.
- Under this new registration process, employers submit basic information about their organization and each requested worker. USCIS will then open an initial registration period of March 1 – March 20. USCIS will then notify petitioners who were selected. At this point, USCIS provides detailed instructions to complete the registration process, including key dates and timelines.



# 6 OF THE MOST COMMON U.S. WORK VISAS

## **L-1 Intracompany Transferee:**

- The L-1 visa category is reserved for employers who need to transfer managers, executives or employees with specialized knowledge from a foreign entity to a U.S. entity. The worker must be with the organization for at least one year and the employer must establish a relationship between the foreign and U.S. entity. L-1A visas are available to high-level company executives or managerial employees with supervisory duties. The L-1B visa shares many of the same benefits as the L-1A, but is intended for foreign employees with specialized knowledge that benefits the sponsoring employer. To qualify, the employee must possess essential qualifications that others in the company or industry do not.

# 6 OF THE MOST COMMON U.S. WORK VISAS

## **O-1 “Extraordinary Ability” :**

- The O-1 visa is a special classification for foreign nationals who possess “extraordinary ability or achievement in the sciences, education, business or athletics”. Extraordinary ability means the person has risen to the very top of the field of endeavor and is known internationally or nationally for his or her achievements.

## **TN Visa:**

- Originally established as part of the North American Free Trade Agreement (NAFTA), the TN visa is a special classification for citizens of Mexico and Canada. The agreement itself has since been replaced with the United States-Mexico-Canada Agreement, but the provisions of the TN visa remain in place. Citizens from Mexico or Canada eligible to seek admission to TN status include accountants, engineers, lawyers, and other specifically designated professionals. This visa type is highly valued because there is no annual cap and can be renewed indefinitely in three-year increments.

# 6 OF THE MOST COMMON U.S. WORK VISAS

## E-1 And E-2 Treaty Visas:

- The E visa category includes treaty traders and investors who come to the U.S. under a treaty of commerce and navigation between the U.S., and the country of which the treaty trader or investor is a citizen or national.
  - An E-1 visa is used for companies or individuals who are involved in or want to develop substantial trade between the U.S. and a country that the U.S. maintains an appropriate treaty. Substantial trade refers to the flow of sizable international items of trade that involves many transactions over time.
  - An E-2 visa is used for applicants who want to enter the U.S. solely to develop and direct an enterprise in which they have invested a substantial amount of capital.

# 6 OF THE MOST COMMON U.S. WORK VISAS

## **E-3 Australian Specialty Occupation:**

- This category also includes the E-3 visa, which is available to workers in specialty occupations or professional occupations who are nationals of Australia. An E-3 visa can also be granted to the primary visa holder's spouse and minor children. There are a maximum of 10,500 E-3 visas issued annually. Spouses and children of primary petitioners do not count against the numerical limitations. To qualify, the primary visa petitioner must possess a bachelor's degree or foreign equivalent, receive a legitimate job offer in the U.S., and fill a specialty occupation that requires a specific skill set.



# US Public Holidays

# US PUBLIC HOLIDAYS

The number of days varies from employer to employer, but on average, US workers receive around 10 days of paid holiday each year.

## List of US Bank Holidays:

<b>New Year's Day</b>	<b>January 1<sup>st</sup></b>
<b>Martin Luther King Jr. Day</b>	<b>Third Monday in January</b>
<b>President's Day</b>	<b>Third Monday in February</b>
<b>Memorial Day</b>	<b>Last Monday in May</b>
<b>Juneteenth</b>	<b>June 19<sup>th</sup></b>
<b>Independence Day</b>	<b>July 4<sup>th</sup></b>
<b>Labor Day</b>	<b>First Monday in September</b>
<b>Columbus Day</b>	<b>Second Monday in October</b>
<b>Veterans Day</b>	<b>November 11, 10 or 12</b>
<b>Thanksgiving</b>	<b>Fourth Thursday in November</b>
<b>Christmas Day</b>	<b>December 25</b>

# BIPO RESOURCE HUB



Amendments to  
Singapore's PDPA



2021 HR Checklist



Payroll Health Check  
Guide for Your  
Business in 2021



Employee Benefits  
Survey 2020 -  
Singapore Edition



BIPO Times

Labour Laws & Employment Regulations

Business Continuity

Blog, Trends and Checklists for the HR community



# Q & A Session





# THANKS

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## Upcoming Webinars

1. Understanding Laos' Labour Law and Employment Regulations

*Timing TBC (GMT+8)*

## Fill in the form

We will be sending the webinar deck by email. Fill in the form to confirm your details and register for our upcoming webinars



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