



Employment Auditor's Notepad

LOGGING ONTO COMPUTER FROM HOME IS PAID TIME

In *Rutti v. LoJack Corporation*, the Ninth Circuit recently held that brief periods of time spent on the company computer from home every day was compensable time.

The majority of LoJack employees drove company vehicles and performed work at the client's location. After completing work for the client, the employees clocked out for the day and returned home. After returning home, LoJack employees were responsible for uploading information onto LoJack's company computer system. Employees had to ensure the information was successfully transmitted and at times, successful transmission took more than one attempt. The Ninth Circuit held that the LoJack employees' acts of uploading information from home were compensable because they were related to the employees' principal duties and the time spent to upload the information was more than *de minimis*.

If your Company permits hourly employees to log onto the company computer system from home, your Company may also be responsible for paying those employees for the time spent on the Company computer.

Fleming PC regularly conducts employment compliance audits.

Health Care Reform Changes Employers Must Know

This month, President Obama signed The Patient Protection and Affordable Care Act (PPACA) into law. The PPACA is expected to reduce the number of uninsured individuals by 32 million. Here are some things employers should know about the PPACA:

- Beginning in 2014, employers with more than 50 full-time employees must offer health care coverage or pay a \$2000 penalty per employee who receives a federal health care subsidy.
- The coverage offered must be "affordable." If employers offer coverage where the employee has to pay more than 9.8% of his income toward healthcare, or if the employer contributes less than 60% of the actuarial value of the plan, the employer must pay a \$3000 penalty per employee who receives a federal health care subsidy. The penalty is capped at the total number of employees multiplied by \$750.
- Employers with more than 200 employees will be required to automatically enroll their employees in their health plans. Employees may opt out of the plan.
- Small employers (less than 25 employees) who provide health care to their employees will receive a tax credit.
- Employees who earn too much to qualify for the federal subsidy, but too little to meet the 60% affordability threshold will be entitled to receive "free choice vouchers" from their employer which is equal to the value of the benefits of the employer plan. The employees will then be able to purchase health insurance through the federal health insurance exchange and then receive cash for any value of the voucher in excess of the cost of insurance through the exchange.
- Flexible Spending Accounts: In 2011, employees will no longer be able to be reimbursed for over-the-counter drug expenses. Beginning in 2013, the amount an employee may direct to a Flexible Spending Account for tax-free use for medical expenses will be limited to \$2500.
- Small employers will be able to offer insurance through the health care exchanges, once they are put into place.

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