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Only a few weeks into the New Year and the regulatory landscape is continuing to evolve at a rapid pace. From the IRS extending select Affordable Care Act reporting deadlines to a delay of the debated Cadillac Tax, 2016 is gearing up to be another active year for government regulations impacting business. [Paychex](#), Inc., a leading provider of integrated human capital management solutions for payroll, HR,

retirement, and insurance services, has identified what it thinks are the top

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On December 28, 2015, the IRS extended the [Affordable Care Act \(ACA\)](#) reporting deadlines for the 2015 tax year to give businesses more time to meet the requirements. The deadline extension impacts certain forms mandated under the ACA, notably Forms 1094-C and 1095-C. The new deadlines are March 31, 2016, to deliver the 2015 Forms 1095-C to affected employees; May 31, 2016, to *manually* file the 2015 Forms 1094-C and 1095-C with the IRS—for employers who're eligible for paper filing; and June 30, 2016, to *electronically* file the 2015 Forms 1094-C and 1095-C with the IRS. Applicable large employers (i.e., employers with 50 or more full-time employees, including full-time equivalents) who fail to file Forms 1094-C and 1095-C and/or provide 1095-C informational returns to employees may be subject to penalties for failure to file correct information returns and/or failure to furnish correct statements, similar to the penalties for not filing Forms W-2.

#2 Overtime Regulations

The U.S. Department of Labor (DOL) released its proposed [Overtime Rule](#) to revise the salary thresholds for federal overtime regulations for the Executive, Professional and Administrative white collar exemptions in June 2015. The DOL also proposed changes to the Highly Compensated Employee exemption and an annual indexing of the applicable salary thresholds. After receiving close to 300,000 public comments, the agency is expected to release the final rule as early as this spring, creating the need for employers to take immediate action to prepare for compliance.

#3 Employee Pay

Across the country employers will be adjusting pay practices to accommodate minimum wage increases, equal pay laws, and [paid sick time laws](#). This includes an industry-specific minimum wage increase for fast food workers in New York, and the most stringent equal pay law in the country for employers in California. Businesses in the state of Oregon and in the cities of, Tacoma, WA; Jersey City, NJ; Montgomery

County, MD; Elizabeth, NJ; and New Brunswick, NJ will all be implementing new

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state and federal agency developments to assist in the efforts to appropriately classify workers.

#5 Privacy

With the continued focus on safeguarding sensitive data, many businesses will be obligated to comply with more demanding privacy and security laws and regulations. Many states have either recently enacted or are considering a wide array of requirements. These include the minimum necessary levels of encryption and security controls, as well as establishing stricter notification processes and remediation steps when a data breach occurs. Businesses should implement and maintain an information security program with privacy and security measures appropriate to their organization and in compliance with state, federal, and, as applicable, international mandates.

#6 Earlier Annual Reconciliation and W-2 Employer Deadlines to Combat Fraud

Currently, there is a gap between the time employees receive their W-2 forms (by January 31) and the date at which employers must file these forms with states—either at the end of February or March, if filed electronically. Historically, employees are issued refunds before their tax returns are matched to third-party information, such as W-2 data. Eleven states, along with Washington, DC and Puerto Rico, now require employers to file both Annual Reconciliations and W-2 forms by January 31 each year. While more states are considering this accelerated due date, the Federal government has not adopted the earlier filing for tax year 2015 W-2 forms due in 2016. However, this will change for tax year 2016, with W-2 forms due to the Federal government January 31, 2017.

#7 Retirement

The final version of the DOL's long-awaited fiduciary standard is expected to be

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In October 2015, a major liability shift took place related to credit card payments. “[EMV](#)” is a global standard for cards equipped with computer chips and the technology needed to authenticate chip-card transactions. This is a better means of controlling credit card fraud verses the traditional magnetic stripe cards. With this change, liability for credit and debit card fraud shifts from issuing banks to merchants who have not yet installed new EMV terminals and processes. These businesses may face much higher fees in the event of fraudulent transactions. Businesses should work closely with their credit card processor to ensure compliance with the rules and reduce fraud risk.

#9 Online Sales Tax

Taxation of online sales will continue to be a topic of interest to businesses in the coming year. Currently, states are limited by federal mandate to only collect tax made on online purchases when the seller has sufficient physical presence in the state. To level the playing field between brick and mortar retailers and online merchants, many have pressed for passage of legislation which would allow states to collect tax, regardless of where the seller resides. This may gain momentum in 2016 due to recent changes in Congressional leadership.

#10 Workers' Compensation and OSHA

In response to business concerns over burdensome [workers' compensation](#) insurance costs and processes, some states have or are contemplating weakening related requirements. While workers' comp programs are state-regulated, some in Congress believe Federal intercession may be needed to maintain worker protections as benefits erode. In addition, the Occupational Safety and Health Administration's (OSHA) implemented new rules in 2015 on injury and illness recordkeeping and reporting. Presented in the new ruling is an expanded list of industries subject to these requirements.

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