

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

HUMAN RESOURCES & PAYROLL

The Top 10 HR Compliance Issues of 2022

From safety to tech, taxes and marijuana, the regulatory compliance experts at Paychex have developed a list of the top issues business owners and managers should keep up on as they run their businesses and manage the impacts of the COVID-19 pandemic ...

Isaac M. O'Bannon • Jan. 13, 2022



What are the top 10 regulatory issues that employers should monitor in 2022? From safety to tech, taxes and marijuana, the regulatory compliance experts at Paychex have developed a list of the top issues business owners and managers should keep up on as they run their businesses and manage the impacts of the COVID-19 pandemic and plan for the year ahead.

“Policies enacted in response to the COVID-19 will continue to dominate the regulatory landscape in 2022, which will also include issues such as paid leave, retirement, and others that affect a company’s business and HR operations,” said [Frank Fiorille](#), vice president of risk, compliance, and data analytics at Paychex. “Our team of 200+ compliance experts are monitoring changes in federal, state, and local jurisdictions to understand new laws and regulations as quickly as possible, then we use that knowledge to inform and help guide our clients, so they have a better understanding of how these measures impact their business.”

Here are the top 10 regulatory issues identified by Paychex for 2022:

#1 Workplace Safety. The COVID-19 pandemic created challenges for employers regarding workplace safety, especially with vaccination mandates and the continued stages of litigation involved. Court-issued stays and decisions reinstating mandates, such as the Occupational Health and Safety Administration (OSHA) Emergency Temporary Standard (ETS), have added additional complexities for businesses. Employers should be aware of mandates – and the status of those mandates – at the federal, state and local level that could impact their compliance obligations.

#2 Cybersecurity. With cybercriminals becoming bolder and more innovative — 86% of organizations from a Cisco survey reported having at least one employee connect to a phishing site in 2021 — businesses of all sizes must be prepared to protect themselves. As many as 45 state legislatures proposed, in total, more than 250 bills and resolutions on cybersecurity and will continue to address the topic in the new year. Such legislation, if passed, could translate to new and complex regulatory requirements for businesses such as implementing training, mandatory reporting of security breaches, and more.

#3 Paid Leave. Many states and localities passed legislation on paid leave in 2021 that covered sick time, family and medical leave, and vaccination leave. More of the same is expected in 2022, including the trend toward “paid leave for any reason” and potentially even a new paid family and medical leave at the federal level.

#4 Retirement. With Pooled Employer Plans (PEP) already helping make retirement plans more available to businesses and participants, upcoming legislative proposals include provisions such as increased and expanded tax credits for small businesses that offer/start retirement plans, required auto-enrollment for certain-sized businesses, and more. Some states are continuing efforts to launch state-facilitated retirement programs as an option for businesses that currently do not offer a plan.

#5 Tax Changes. State unemployment tax rates, impacted by different rules and funding as well as how states dealt with vaccine mandates and benefit claims, will remain an issue for employers. Additionally, work-from-home and hybrid arrangements have added complexity to the state tax structure. Enforcement could play a bigger role, too, as the Biden administration has proposed more funding for the IRS to conduct auditing.

#6 Health Care Reform. Employers must ensure the furnishing and filing of timely and correct information returns related to Affordable Care Act Employer Shared Responsibility (ESR) reporting. The good faith transition relief from penalties for incomplete or incorrect returns was discontinued, beginning with the 2021 Tax Year. With proposals to temporarily lower the affordability rate under consideration, Applicable Large Employers (ALEs) might need to reevaluate employee health insurance contributions and determine if adequate affordable coverage is being offered to full-time employees.

#7 Pay equity. Employers will need to stay on top of federal and state initiatives aimed at addressing pay inequity, including salary history bans, requirements to include salary ranges in job postings, and a focus on reporting requirements intended to mitigate gender discrimination in pay. Expected talent shortages in 2022 may help close the gap, but employers might also require input from legal counsel to align their compensation and hiring efforts to support pay equity.

#8 Worker Classification. The withdrawal of the 2020 final rule by the U.S. Department of Labor that simplified independent contractor worker classification suggests a new rule might be proposed — one that might include more workers being considered employees under federal wage and hour law. Staying on top of compliance obligations for multiple laws, rules, and tests for determining worker status is complex, while penalties for misclassification pose financial risk for all employers.

#9 Privacy. With the prevalence of COVID-19 screening measures adopted in 2021, employers should update policies that emphasize transparency around the

collection, use, and storage of employees' personal information in accordance with their state's law. Technology designed to assist with COVID-19 screening has advantages, but employers must be aware of the enactment of stricter state privacy laws (e.g., a California law restricts an employer's ability to track an employee's location without consent).

#10 Cannabis in the Workplace. With Connecticut, New Mexico, New York, and Virginia passing legislation in 2021, the number of states that now have legalized the recreational use of marijuana has climbed to 19 (plus the District of Columbia). Legislation at the state and local level is expected to continue to address decriminalization, as well as recognition of medical marijuana use and legalization of recreational marijuana. However, cannabis is still an illegal drug under federal law, so employers should consider adjusting workplace policies, assessing implications to workers' compensation insurance, and staying attuned to future legal developments.

For more detail on each of 2022's top 10 regulatory issues, visit www.paychex.com/articles/compliance/top-regulatory-issues/.

Human Resources & Payroll • Payroll • Product & Service Guide • Technology • News

CPAPA is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2023 Firmworks, LLC. All rights reserved