

**JANUARY 2009**

**Volume XVI, No. 1**

## **A NEW YEAR – A NEW NAME**

Happy New Year! Your Association has a new name – effective January 1<sup>st</sup>, we are now **Louisiana Small Business Association (LSBA)**, formerly known as LUBA, the Association. Our new name is designed to more accurately reflect our primary purpose – to be the voice of small businesses like yours in Louisiana.

**Your business is now automatically a member of LSBA.** As long as your membership is kept current, your business will continue to receive our newsletter, updated labor law posters, and other materials designed to assist you in your business. One new feature of LSBA is that our newsletter will now be monthly instead of quarterly, so you will be receiving much more information than in the past.

When you renew your membership with LSBA, you will receive a new “All-in-One” labor law poster that contains all required federal and state employment posters. When you put this poster up in your workplace, you are in complete compliance with all mandated posting requirements.

Additional posters may be purchased for \$20 plus sales tax. Upon renewal, you will also receive an updated *Small Business Advisor*, a booklet that covers topics from labor laws to unemployment compensation and workers’ compensation to handling bad checks from your customers.

If you have questions about LSBA or your membership, please call the LSBA offices at 800-262-4483 and ask for Erin.

## **DO YOU KNOW HOW TO HANDLE OVERTIME PAY AND VACATION TIME DURING THE HOLIDAY SEASON?**

Here is what you need to know about your rights and responsibilities for paying your employees during weeks with paid holidays.

- First, there is no federal or Louisiana law that requires an employer to provide paid vacation or sick time to employees.
- Employers are only obligated to pay their employees for hours they are actually at work. You do not have to pay employees if your business is closed for a holiday (i.e., Christmas day or New Year’s Day).
- Employers are not required to pay extra to those workers who have to work on a holiday; i.e., there is no law requiring “holiday pay” of time and half for those employees working on a holiday.
- Overtime is calculated on the hours an employee actually works. If an employee is paid but is not actually working (for example, a paid holiday, paid sick leave, etc.), that time is not counted as time at work.
- If your business is closed on a holiday and you pay your employees as if they had worked that day, those employees can work up to 40 hours on the remaining days of the week and not receive overtime. The 8 hours of the holiday do not count as work, since the employees were given the day off and were not at work.

## **IRS TAX CALENDAR FOR JANUARY AND FEBRUARY**

**January 1<sup>st</sup>:** Stop advance credit of the Earned Income Credit for any employee not submitting a new W-5 Form.

**January 12<sup>th</sup>:** Tipped employees are required to report to you tips of \$20 or more earned during December 2008.

**January 15<sup>th</sup>:** Deposit Payroll Tax for December 2008 (if the monthly deposit rule applies).

**February 2<sup>nd</sup>:**

- Furnish Forms 1098, 1099, and W-2G to recipients you made payments to during 2008.
- Give Form W-2's to all employees who worked for you during 2008.
- Deposit FUTA tax (unemployment tax) owed through December if the amount is \$500 or less.
- File 2008 Form 940, 941, 943, or 944 [payroll taxes] if you did not deposit all taxes when due.

**February 10<sup>th</sup>:**

- File Forms 940, 942, 943, and/or 945 [payroll taxes] if you timely deposited all required payments.
- Tipped employees are required to report to you tips of \$20 or more earned during January.

**February 16<sup>th</sup>:** Begin withholding on employees that claimed extra withholding from their payroll tax in 2008 but did not file a W-4 to continue in 2009.

## **IRS LOWERS MILEAGE RATES FOR 2009**

Beginning January 1, 2009, the standard mileage rates for the use of a car (also vans, pickups and

panel trucks), will be 55 cents per mile for business miles driven. This new rate is slightly lower than the rates for the second half of 2008 (58.5 cents per miles) that were raised by a special mid-year adjustment in response to a spike in gas prices. This rate is used by many businesses to reimburse employees for mileage travelled in their personal vehicles for business reasons, in lieu of tracking the actual costs of operating an automobile for business costs.

## **DID YOU KNOW THAT LOUISIANA IS AN EMPLOYMENT-AT-WILL STATE?**

Louisiana is an employment-at-will state, which means that either you as the employer or your employees may terminate the employment relationship at any time, with or without notice, unless there is a contractual agreement between the parties.

Louisiana courts have basically interpreted the employment-at-will doctrine to mean that employers have almost unlimited discretion and authority over their employees. This means that an employer may legally hire, fire, suspend, or discipline any employee at any time for any reason or for no reason at all, as long as the reason does not discriminate against the employee's race, sex, age, religion, color, national origin, or disability.

There are certain exceptions to Louisiana's employment-at-will doctrine. Louisiana employees may not be disciplined or discharged at-will for:

- Being called to military service
- Being called to jury duty
- Political opinions or voting
- Exercising right of association
- Wage garnishment
- Filing workers' compensation claim
- Whistle-blowing (i.e., an employee threatens to disclose or testify that the employer is in violation of a state or federal law)