



Labor & Employment Issues In Focus

Pitta LLP
For Clients and Friends
January 20, 2021 Edition



“All that serves labor serves the Nation. All that harms labor is treason to America. No line can be drawn between these two. If any man tells you he loves America, yet hates labor, he is a liar. If any man tells you he trusts America, yet fears labor, he is a fool. There is no America without labor, and to fleece the one is to rob the other.”

Abraham Lincoln



WISHING SUCCESS TO OUR NEW PRESIDENT AND VICE PRESIDENT

Today, January 20, 2020, President Joe Biden and Vice President Kamala Harris were sworn into office as President and Vice President respectively of the United States of America. We wish them strength, courage and wisdom as they assume office during tumultuous times. We hope that all Americans come together for common purpose and unity to overcome COVID-19, fix our economy, and establish justice throughout the land.

AS FEDERAL COVID-19 PAID SICK LEAVE ENDS, NEW YORK PAID SICK LEAVE STEPS IN

Effective January 1, 2021, New Yorkers have been able to use state sick leave benefits as similar benefits that were included in the Federal COVID-19 economic relief packages have expired.

The New York Paid Sick Leave law, passed by Governor Andrew Cuomo and the Democratic majorities in the Senate and Assembly on April 3, 2020, is widely considered the most pro-worker law of its kind in the nation. New York's Paid Sick Leave program provides benefits to employees at medium and large businesses and paid and unpaid benefits for employees at smaller businesses depending on the employer's net annual income. The New York Paid Sick Leave law will provide broader relief for workers than the recently expired federal benefits which left out many lower-wage employees.

In a statement touting the New York Paid Sick Leave law, Governor Cuomo explained, “even before the coronavirus pandemic, we knew that no one should have to make the unimaginable choice between keeping their job or caring for themselves or a loved one.”

The New York Paid Sick Leave law will guarantee New Yorkers 56 hours of paid sick leave if they work for businesses that have more than 100 or more employees; 40 hours of paid sick leave for workers at businesses with 99 workers or less and for workers that work at businesses with less than 5 workers that have a net income of more than a \$1 million a year; and 40 hours of unpaid sick leave for workers at businesses below the total number of employees and net income thresholds. There is no waiting period for the use of accrued sick time under the State law.

After the State passed the New York Paid Sick Leave law, New York City Mayor Bill de Blasio and the New York City Council modified the local Paid Sick Leave law to eliminate a 120-day waiting period for benefits to take effect, enhanced reporting requirements and specified that the employers, not employees bear the burden of sick leave documentation.

DEPARTING TRUMP EEOC RELEASES FINAL RULE ON 'CONCILIATING' BIAS CLAIMS

The departing Trump Administration’s Equal Employment Opportunity Commission (“EEOC”) submitted a final rule to the Federal Register upon approval from the five-member leadership panel at the EEOC earlier this month. The rule seeks to provide employers more information from the EEOC when seeking to resolve workplace discrimination claims through the EEOC’s conciliation process. The rule will be effective February 16, 2021, 30 days after publication in the Federal Register.

Employers welcomed the new rule because they believe that it will increase transparency and help resolve disputes but many worker advocate groups criticized the rule because they believe that it provides employers with an unfair advantage during the EEOC’s conciliation process. Advocates believe that the rule which will require revealing the “identity of harassers or at-fault supervisors and potential class sizes” provides the employers an unfair bargaining position at the conciliation process. The EEOC believes that disclosures should be mandatory if “known to the commission.” Worker advocates have also argued that the 30-day public comment period was rushed.

The EEOC’s conciliation process is an alternative to litigation after the EEOC has determined that an employer has discriminated against a worker. The EEOC can sue the employer unless both the worker and employer agree to the terms of an accord.

The EEOC issued a statement explaining that “the purpose of this final rule is not to create or encourage new avenues for dilatory litigation on conciliation.”

2021 COLA INCREASES
FOR DOLLAR LIMITATIONS ON QUALIFIED RETIREMENT PLANS

Annually, the Internal Revenue Service (“IRS”) issues a notice advising of the cost-of-living adjustments (“COLA”), if any, made to the dollar limitations on benefits and contributions under qualified retirement plans, including defined benefit and defined contribution plans. Below find some of the annual limits on dollar limitations to retirement plans, including 401(k) plans, adjusted for COLA effective as of January 1, 2021 as required under Section 415 of the Internal Revenue Code (“IRC”).

Qualified Retirement Plan Limits

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| Annual Compensation Limit (IRC sections 401(a)(17), 404(l) 408(k)(3)(C), and 408(k)(6)(D)(ii)) | \$290,000 |
| Maximum Annual Benefit under Defined Benefit Plans (IRC section 415(b)(1)(A)) | \$230,000 |
| Elective Deferrals (IRC section 402(g)(1)) | \$19,500 |
| Catch-Up Contributions (Individuals aged 50 or over) (IRC section 414(v)(2)(B)(i)) | \$6,500 |
| Maximum Annual Addition for Defined Contribution Plans (IRC section 415(c)(1)(A)) | \$58,000 |
| Highly Compensated Employee (IRC section 414(q)(1)(B)) | \$130,000 |
| Key Employee (IRC section 416(i)(1)(A)(i)) | \$185,000 |

For additional information regarding the 2021 cost-of-living adjusted limits, please review IRS Notice 2020-79, which can be found here: <https://www.irs.gov/pub/irs-drop/n-20-79.pdf>



COMMEMORATING DR. MARTIN LUTHER KING JR. DAY

This past Monday, we celebrated the birthday of Dr. Martin Luther King, Jr. an American icon who spearheaded the fight for civil rights and economic justice. We thought it would be appropriate to remember Dr. King with one of his most poignant remarks on workers:

"So often we overlook the work and the significance of those who are not in professional jobs, of those who are not in the so-called big jobs. But let me say to you tonight that whenever you are engaged in work that serves humanity and is for the building of humanity, it has dignity and it has worth." Dr. Martin Luther King, Jr., (Memphis, Tennessee, March 18, 1968).

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