



Affogato HR Consulting partners with our clients to implement practical, appropriate and compliant solutions to HR questions.

The following tasks are recommended to assist with year-end compliance and prepare for the new year. Your Affogato HR Consultant can assist with any questions.

## NEW FOR 2025

- Review Employee Handbook for 2025 compliance. Pay particular attention to sick leave accruals.
- Remove statements in job applications, advertisements or other employment materials that an applicant must have a driver's license, unless driving is a job function.

## General Compliance

- If you have more than 5 employees, ensure that all supervisors and employees have received harassment prevention training.
- Update your Federal and State [compliance posters](#).
- Update your California [wage order](#) (if applicable).
- Post city and county posters, such as city minimum wage information.
- Update required new hire compliance brochures and flyers, including updated Workers' Compensation [Time of Hire](#) Notice.
- Use the most recent [Wage Theft Notice form](#) for all non-exempt employees.
- Review and update termination materials.
- Distribute and post updated holiday schedule. If necessary, enter holiday schedule in payroll or timekeeping system.
- Review I-9s for current employees to track expiration date of certain documents. See [Handbook for Employers](#) for details.
- Use the latest [I-9 form](#) for new hires.
- Check your employees' home and work addresses to review applicable local ordinances such as minimum wage, sick leave, and family leave.

## Compensation

- Check for January 1, 2025 state and local minimum wage increases and make any necessary adjustments. California minimum wage will be \$16.50/hour<sup>1</sup>, higher for certain fast-food and health care workers. If adjustments are made, ensure they are clearly documented in employee personnel files and wage notices.
- Check for January 1, 2025 minimum exempt salary increases and make adjustments as needed. California minimum exempt salary is \$68,640<sup>2</sup> in 2025. The federal minimum salary will increase from \$43,888 to \$58,656 on January 1, 2025.
- Update internal compensation ranges and review anyone paid below the minimum or above the maximum.
- Send out year-end notices for stock options and employee stock purchase plan (if applicable).
- Update annual bonus and sales compensation plans and obtain signatures (as appropriate).
- If you have 15 or more employees, ensure your job posting template includes the pay range.
- If you have 100 or more employees, [report pay data](#) to the California Civil Rights Department by May 14, 2025.

<sup>1</sup> Proposition 32, on the November 5, 2024 ballot, would increase the minimum wage to \$18.00 by 2026, beginning in January 2025.

<sup>2</sup> Minimum salary is two times state minimum wage, so may increase if Proposition 32 passes.

## Payroll

- Remind employees to submit year-end expense reports and report address changes to ensure W-2s are sent to the correct address.
- Ensure all terminated employees are reported in the payroll system.
- Inform employees how and when 2024 W-2s will be available (by US Mail, email, payroll system).
- Verify 2025 payroll schedule with payroll provider and announce to employees.
- Create a process to record any missed meal period and rest period premium pay is recorded on the wage statement in the same pay period.
- Consider an internal audit of time records and payroll records to ensure accuracy and compliance.

## Benefits

- Review local paid sick leave requirements. If you use a lump-sum method, reset sick leave balances according to your policy.
- Ensure employees have not exceeded the 2024 [401\(k\)](#) and health savings account ([HSA](#)) limits; refund any excess deferrals.
- Confirm 401(k) and HSA limits for 2025 and communicate to employees.
- Ensure 401(k) annual cap is lifted for the first payroll in January.
- Remind employees of FSA claim deadlines.
- Calculate and report Group Term Life Insurance (GTLI) and domestic partner imputed income for 2024, unless this was reported throughout the calendar year.
- Revise communications such as offer letter, benefits summary, recruiting website and Intranet with new benefits information (if applicable).

## Safety

- Review [OSHA documents](#) and complete forms if necessary.
- Post OSHA 300A in the workplace from February 1, 2025 through April 30, 2025.
- Review [OSHA electronic reporting requirements](#) and submit OSHA 300a electronically if required.
- Review your [Workplace Violence Prevention Plan](#) as part of your existing Injury and Illness Prevention Plan.