



HR *insider*

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Employer Action Required!

• Equal Pay Act

The Maryland General Assembly needs to determine if Federal and State 'Equal Pay for Equal Work' laws are working efficiently in Maryland. To accomplish this task, the Division of Labor & Industry is tasked with compiling payroll data from Maryland businesses for three consecutive years, starting with 2010.

Therefore, all Maryland employers are asked to submit their employees' wages, job classification, gender and race from a sample period that falls between July 1st and October 1st. All data submitted is anonymous, without individual employee identification, and indistinguishable from other employers.

The website to register and enter your information is now live and accepting your payroll information:

<https://www.dlir.state.md.us/PayEquality/Home.aspx>.

You will find detailed instructions as well as a worksheet to help you through this process.

Background

Under the State's Equal Pay for Equal Work law, each employer must keep a record, in accordance with the requirements of the Commissioner of Labor and Industry, that documents employee wages, job classifications, and other conditions of employment.

An employer may not discriminate between employees in any occupation by paying a wage to employees of one sex at a rate less than the rate paid to employees of the opposite sex if both employees work in the same establishment and perform work of comparable character or work on the same operation, in the same business, or of the same type. An employee may bring an action against an employer that violates this law.

• IRS Required Reporting

On June 24, 2011, the IRS finalized the rules on automatic extensions for Form 8928 (Return of Certain Excise Taxes under Chapter 43 of the Internal Revenue Code). Employers are now able to obtain an automatic six-month extension, which must be filed on or before the due date with file form 7004. Employers that sponsor group health

plans, beginning on or after 1/1/10, are required to file an excise tax return (i.e. on Form 8928) if certain plan failures occur.

Guidance from the IRS indicates that the liable employer, insurer, or the administrator must report these taxes on Form 8928 and pay on or before the due date (without extension) of the employer's federal income tax return. Penalties and interest may be assessed for failure to do so.

The following failures are to be reported:

- COBRA administration errors;
- Failure to provide required pediatric vaccine coverage;
- HIPAA requirement errors such as limits on pre-existing conditions and notices, certificates of coverage, special enrollment rights and notices, and nondiscrimination based on health status;
- Mothers and Newborns Health Protection Act (failure to comply with minimum hospital stays for mother and newborns);
- Mental/Nervous/Substance Abuse Parity Rules (failure to abide by required benefits);
- Failure with Health Savings Account (HSA) comparability rules;
- GINA violations; and
- Michelle's Law violations.

These mandates are most applicable to employers who handle their own COBRA, sponsor an HSA, or who not charge the same premium and/or do not apply the same eligibility rules to all employees. In order to avoid excise taxes under this new self-reporting mandates, all employers should have procedures and processes in place that are reasonably designed to ensure compliance.

Additional information and Instructions for Form 8928 can be found here:

<http://www.irs.gov/pub/irs-pdf/i8928.pdf>

Form 8928 can be found here:

<http://www.irs.gov/pub/irs-pdf/f8928.pdf>

Additional information and instructions for Form 7004 can be found here: <http://www.irs.gov/pub/irs-pdf/i7004.pdf>

Form 7004 can be found here:

<http://www.irs.gov/pub/irs-pdf/f7004.pdf>