

Employment Laws by Size of Business

10 Employment Laws
to Comply with As
Your Business Grows

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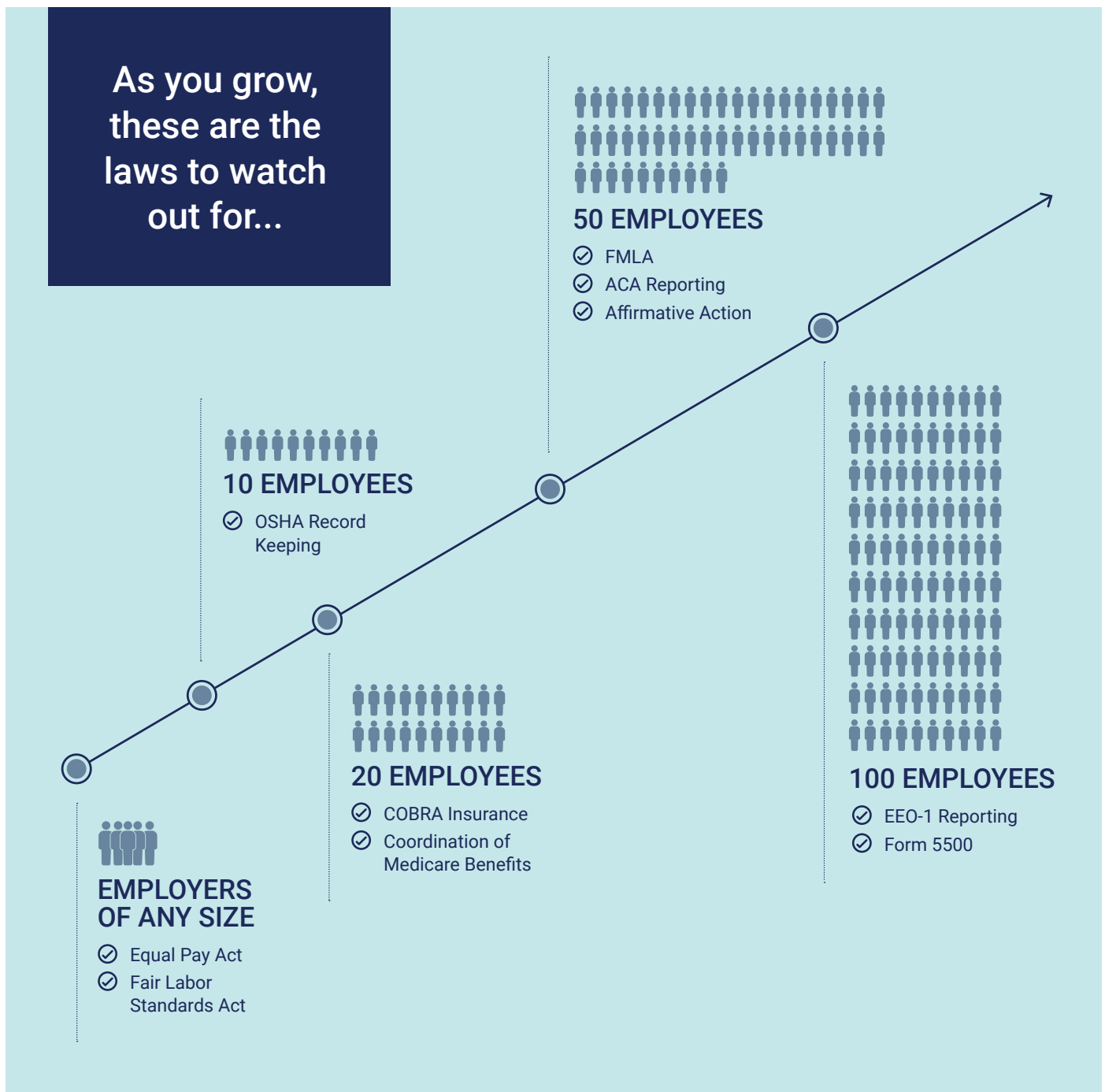
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There are a few milestones that stand out when running a business. Hiring your first employee, serving your first customer, opening up a new location, or celebrating your anniversary. While these moments are exciting for any growing company, with each employee you add, your business becomes subject to a new set of employment laws that can put your business at risk if you're not aware of them.

Whether your team fluctuates in size or you are considering expanding your workforce, take note of these labor laws to ensure you're always compliant.





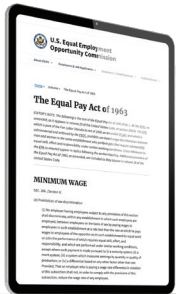
EMPLOYERS OF ANY SIZE

Equal Pay Act

The second you hire your first employee the Equal Pay Act becomes effective. The purpose of this law is to prohibit discrimination through wages based on sex. Specifically, the law prohibits employers from paying different wages to men and women who work under similar conditions and whose jobs require the same skill, effort, and responsibility

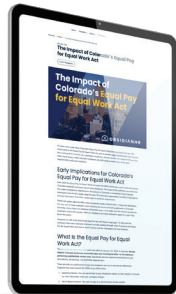
Fair Labor Standards Act

The Fair Labor Standards Act is a federal law that requires employers to follow minimum wage, overtime pay, hourly work, recordkeeping, and child labor standards. As an employer with any number of employees, you have to ensure your following these requirements.



Learn more about the Equal Pay Act

[Learn More](#)



Learn more about Colorado's Equal Pay for Equal Work Act

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Learn how to classify employees for HR compliance

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Learn more about the Fair Labor Standards Act

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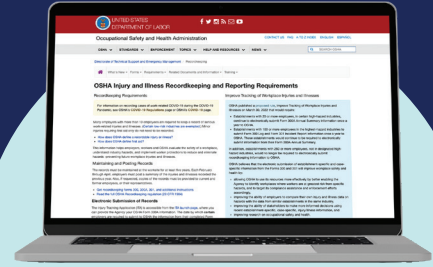




10+ EMPLOYEES

OSHA Record Keeping

Once your business reaches upwards of 10 employees, Occupational Safety and Health Administration (OSHA) record-keeping rules kick in. Records of serious work-related injuries and illnesses must be kept and maintained at the workplace for at least 5 years. Additionally, each February through April, businesses must post a summary of injuries and illnesses that occurred the previous year using Form 300.



Learn more about
OSHA record keeping

[Learn More](#)



20+ EMPLOYEES

COBRA Coverage

At 20 or more employees*, businesses are required to offer their employees COBRA coverage when a worker quits, is terminated (for reasons other than misconduct), or loses eligibility for healthcare due to a reduction in hours. The Consolidated Omnibus Budget Reconciliation Act (or COBRA) is a federal law that allows employees and their families to temporarily keep their employer healthcare coverage when it would otherwise be lost in most circumstances.

Typically, employees pay 100% of the premium plus a 2% administrative fee. While it's expensive, COBRA health coverage can be an attractive option if an employee doesn't want to change providers in the middle of a medical procedure, or has already hit their out-of-pocket maximum for the year and doesn't want to start over with a new maximum mid-year.

**Businesses are required to offer COBRA coverage if they have 20 employees (or 20 full-time equivalents) for 50% of the previous calendar year.*

Coordination of Medicare Benefits

Knowing how to answer employee questions accurately and knowledgeably builds loyalty from your employees. If your business has employees 65 years or older, you may encounter questions about how their Medicare works with your employer-sponsored healthcare plans. Which coverage pays first?

Your answer depends on how many employees you have. If you have less than 20 employees, Medicare typically pays first, and then employer healthcare kicks in second. However, once your business reaches 20 employees or more, then employer-sponsored healthcare kicks in first, followed by Medicare second. If that's the case, advise employees to tell their doctors to bill Medicare secondary, rather than primary.



Learn more about
COBRA and how it's
administered

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Learn more about
Medicare Benefits
Coordination

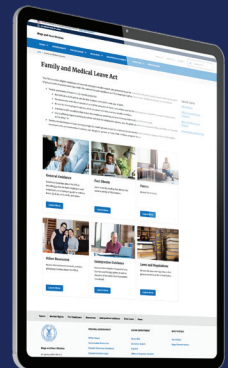
[Learn More](#)



50+ EMPLOYEES

FMLA

If you've reached 50 or more employees, the Family Medical Leave Act (or FMLA) is a biggie. FMLA is a federal law that allows employees to take 12 weeks of unpaid, job-protected leave. Why? Because sometimes, life happens, and employees should be protected if they need time to look after their own health or the health of a family member, or time to bond with their new child. Note that public or private schools are required to offer FMLA regardless of employee headcount.



Learn more
about FMLA

[Learn More](#)

Affordable Care (ACA) Reporting

Businesses with 50 or more employees must also follow Affordable Care Act laws. This is particularly important when it comes to the ACA's reporting rules. Under the ACA, employers must report health insurance coverage on an annual basis and share this information with the IRS through Form 1094-C, and with employees through Form 1095-C for their tax purposes. And in Colorado, all employers with 50 or more full-time employees are required to offer some form of health insurance benefit.

Affirmative Action

If you have 50 or more employees and have over \$50,000 in work on government contracts, your business must have a special plan to provide equal employment opportunities for women, minorities, veterans, and people with disabilities. It's called an Affirmative Action Program (or AAP). It includes your proactive policies and procedures for recruiting, hiring, training, and promoting all individuals without discrimination.



Learn more about the Affordable Care Act

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Learn more about Affirmative Action Programs

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100+ EMPLOYEES

EEO-1 Reporting

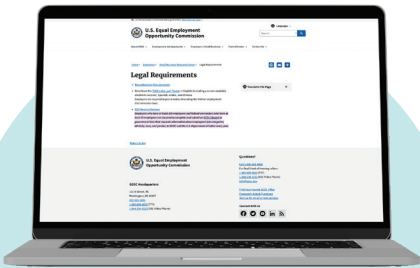
Once you hit 100 employees*, the US Equal Employment Opportunity Commission (or EEOC) requires that employers fill out and submit an EEO-1 Report. This annual report provides a count of your employees by job category and then by ethnicity, race, and gender. The data is then used for a variety of purposes including enforcement, self-assessment by employers, and research.

**If you're a federal contractor, EEO-1 reporting becomes applicable when you reach 50 employees, not 100.*

Form 5500

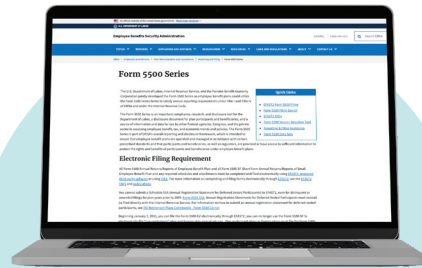
According to the Employee Retirement Income Security Act (or ERISA), if your employer-sponsored insurance plans have over 100 "participants", you must file Form 5500 annually. This form collects data on employee benefits, including medical, dental, Section 125, 401(k), and retirement plans. The purpose of Form 5500 is to provide the IRS and DOL with information about your plan's operation and compliance with regulations.

**Participants include employees, COBRA enrollees, and retirees, but not dependents.*



Learn more about EEO-1 reporting

[Learn More](#)



Learn more about Form 5500

[Learn More](#)



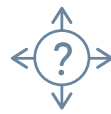
THE GROWTH PARTNER SMALL BUSINESSES NEED

Ultimately, growing your business can be exciting! At the same time, it's important to work with your human resources, payroll, and legal team to ensure compliance with the various state and federal rules as you grow. These challenges are necessary steps to successfully take your business into the next phase of growth.

If you don't have a dedicated person for compliance, or a specialized team to help you navigate the details of growth, fear not. As a growing business, there are a lot of affordable options. Running and growing your business can be overwhelming and complicated, especially in Colorado where employment laws and regulations are abundant. That's where we come in. We're a locally-based HR partner committed to providing comprehensive human resources services to help your company thrive.

When partnering with Obsidian HR, you don't just get a library of HR resources or some do-it-yourself software—you get an actual team of certified, local HR professionals at a fraction of the cost of a full-time hire. And not just any team.

A team who...



Knows Colorado business inside and out to help you navigate uncertainty



Helps save you thousands with all federal and state laws



Ensures you're compliant with all federal and state laws



Provides free training and resources to help you understand federal and state laws



Takes care of everything HR-related so you can free up internal resources

As Colorado's economy grows, we're excited to help local businesses grow by being their preferred HR partner.

"The people at Obsidian know all our company employees' names and want to make sure they are well taken care of. We now have a partner in HR and a local presence we can lean on. I feel Obsidian is personally vested in our company, and their staff almost feels like ours."

- Chris Terch, Co-Founder and COO for Bonfire



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Follow us for more! We're constantly sharing information on how to be compliant with changing laws and regulations, hiring and retaining employees, and developing your HR policies and procedures.

