



# HR Pro Consulting Newsletter



## Welcome to 2020

As a Gen-Xer, I grew up thinking the year 2020 sounded “space-agey”. I believed life would be a mix between the Jetsons and Back to the Future lifestyles. My parents and grandparents were largely afraid of technology and robots due to the perceived impact on their cost of living and job security. My family also believed being modern was expensive and technology was considered a commodity for the wealthy; therefore, we weren’t the first to buy into new technology.

At some point in the mid-1980’s we bought a second portable, 13” black and white TV for dad to watch football on while we watched VCR “tapes” on the family, 19” color TV which required turning a dial on the set to change channels. We got our first microwave oven in 1990 and our first cordless telephone around the same time. These were staples in most homes by that time, so we’d finally caught up.

Automation and information sharing continued to evolve to new heights. One of my first college business courses was called *The World Wide Web*. Then, Y2k challenged the “space-agey” future with predictions of a worldwide disaster bringing most of our technological advances down when the clock struck 12:01 a.m. on January 1, 2000. I was optimistic and didn’t stock up on any extra canned goods or bottled water. Phew, the world survived, and we had 20 years left to invent flying cars, hoverboards and robot maids.

Technology soared over those 20 years. Today most of us have computers in our pockets and purses called smart phones, [my parents included]. We have multiple large color televisions that stream content from the internet into our homes. There are voice-controlled speakers to turn on lights, set the temperature, monitor security in your house and play your favorite music. Some of us will stand in longer lines at self-checkouts rather than those serviced by actual, human cashiers. Our cars don’t fly but they can tell us how to get to a destination with turn by turn directions and parallel park themselves when we arrive.

You may be able to relate and probably have stories of your own predictions about life in the year 2020. Though most technology doesn’t look like the robots from the Jetsons or Sci-Fi movies, it makes our lives easier. I have a robotic vacuum that I affectionately call Rosie, can’t live without my iPhone, love the video backup and handsfree calling options in my car and I enjoy explaining to my children what life before the internet was like.

IN THIS ISSUE:



### *2020 Changes in Employment Regulations and Forms*

The DOL’s new overtime rule went into effect January 1, 2020. A new W4 Form was introduced for employees first paid by your company in 2020



### *Recruiting Trends*

Think Back to the Future for recruiting in 2020 and beyond.



### *Human Resources in 2020*

What are the trends in HR and how is technology being utilized?

## 2020 Changes in Employment Regulations and Forms

Each year businesses and HR professionals are challenged with implementing new processes and updating forms to remain compliant with local and federal employment regulations. Here are some highlights to be aware of for 2020.



### Are Your Labor Law Posters Compliant?

Labor laws have changed. Your organization should ensure compliance and update what is currently posted. For inexpensive options without unnecessary subscriptions, contact HR Pro Consulting today.

- 401k:** Employees may increase their 401k contributions, from \$19,000 in 2019 to \$19,500 in 2020. For employees over 50 years of age, the additional catch-up contribution has increased by \$500 as well, to \$6,500. The total employee/employer combined contribution has increased by one thousand dollars from \$56,000 in 2019 to \$57,000 in 2020. For the 2020 plan year, an employee who earns more than \$125,000 in 2019 is an HCE. For the 2021 plan year, an employee who earns more than \$130,000 in 2020 is an HCE.
- FICA:** Maximum earnings subject to Social Security 12.4% FICA payroll tax (6.2% paid by employer and 6.2% paid by employee) \$137,700.
- Overtime Rule:** The standard salary level was raised from \$455 to \$684 a week, this rule will make all employees who earn less than \$35,568 annually eligible for overtime pay of at least time-and-a-half under the Fair Labor Standards Act.
- W4 Form:** All new hires must be provided redesigned IRS form W-4.
- FSA:** Maximum salary deferral contribution for 2020 to Health Care Flexible Spending Accounts (Health FSAs) and Limited-Scope Vision/Dental FSAs is \$2750.
- I-9:** A new version of the I-9 employment eligibility verification form has been issued. The new edition of the Form I-9 is dated 10/21/2019 but will not become mandatory until May 1. Through April 30, employers can choose to use the previous edition dated 07/17/2017 or the new edition.
- Immigration:** Both the Department of Homeland Security (DHS) and the Department of Labor (DOL) are strictly enforcing workplace immigration laws. Employers should review their I-9 files for completeness in case of audit or even a raid.

## Recruiting Trends

I wonder if automation and technology would have spread further faster, would we be fighting the battle of the labor shortage as intensely as we are? If robots did more of the work, would we have such a gap? Maybe my wonder comes from still wanting a “Rosie” to do my household cleaning. ☺

Much of the future of recruiting comes from the past. Back to the Future? To stand a chance battling the labor and skill shortage in 2020 and beyond, hiring managers and recruiters will need to use tried and true recruiting techniques: recruit from within, hire and develop candidates with essential skills and develop talent pools for future hiring needs.

Strategic organizations are proactively developing career paths for current and new employees and offering options for internal mobility. They are developing and maintaining skills inventories of their employees and using the data to tap into their talent when needed. Some of these same organizations have gone a step further to identify essential skills and hire for those skills vs. specific technical or job skills. Instead, they develop the technical skills and look for book smarts (IQ), street smarts (EQ) and drive, the three essential ingredients for high performers.

These techniques are effective and work just as well in small companies when focus on long-term fit for employees.

## HR in 2020

High tech HR includes AI, cloud-based solutions for HRIS and data analytics. None of which will ever replace the *Human* in Human Resources; however, when used effectively, these technologies can enhance HR performance and efficiency.

Technology has been used to screen candidates for years. Key word searching of resumes was the start. Today, artificial intelligence (AI) can do much more. Unlike humans, AI does not bring biases to the candidate screening and selection process, resulting in a more diverse candidate pool. Some companies are even using robots to conduct initial interviews. AI can also predict the success of a candidate and forecast retention.

Cloud-based HRIS systems are becoming more popular and accepted as the way business is conducted. HRIS systems which allow real-time access to employee data make many administrative aspects of HR easier, integrated and void of human errors. Many of the previous functions handled in “Personnel” departments, are often employee self-serviced allowing HR professionals to spend time on strategic issues.

One of those important strategic issues is identifying the metrics that matter. HR professionals are reviewing analytics from performance to retention, engagement, and workforce planning and skill gap analysis to inform their recruitment and development strategies.

Technology cannot replace the work of Human Resource professionals, but it has increased the opportunity for challenging and meaningful work. Assisted by powerful tools and systems, HR Professionals will become even more vital to strategic planning and effective em/deployment of resources.



## Fast Facts

- The avg worker will hold 10 jobs before the age of 40
- For the next 10 years, 10,000 people a day will turn 65 years old
- A national skills shortage is predicted to grow to 29 million skills in deficit by 2030
- 90% of employees decide whether they will stay with a company in their 1<sup>st</sup> 6 months
- The top 20% of a company's workforce accounts for 80% of organizational output

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*Supporting local businesses with management of  
their most important assets...people*



*If you would like more information about any of the topics covered in this edition of HR Pro Consulting's newsletter or need support in any of the following areas, contact Michelle Wachtel, SPHR today!*

### **Small Business Human Resource Expertise**

or

### **Interim Human Resource Management**

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*If you do not have an on-site human resource professional, I can be your on-call subject matter expert for support when you need it.*

or

*If your human resource professional resigns or takes a leave of absence, I will fill the gap until a permanent hire is made or (s)he returns.*

- Interviewing, selection and employment offers
- New employee on-boarding
- Termination support and exit interviewing
- Employee relations
- Benefits administration
- Performance management
- Compliance: FMLA, ADA, EEO
- Safety and wellness programs
- Employee handbook development

### **Project-Based Human Capital Support**

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*When you require an outside resource to lead or contribute to business planning initiatives involving human capital, I can help.*

- Strategic planning
- Succession planning
- Employee and leadership development
- Compensation program and incentive design
- Merger and acquisition support
- Reduction in force
- Organizational development and design
- Performance management system implementation
- Employee engagement
- Employee handbook review
- Job descriptions
- Human Resource audit



HR Pro Consulting, LLC  
PO Box 210573  
Milwaukee, WI 53221  
414.801.9623  
[www.hrproconsultingllc.com](http://www.hrproconsultingllc.com)  
[mwachtel@hrproconsultingllc.com](mailto:mwachtel@hrproconsultingllc.com)

Michelle Wachtel, SPHR is a tactical and strategic Human Resource professional with over twenty years of successful experience directing and executing Human Resource vision, strategy and administration in the areas of: talent acquisition, organizational development, performance management, employee relations, diversity and inclusion, succession planning, employee benefits, compensation, payroll administration, loss control, unemployment and worker's compensation insurance and employee safety and wellness programs.