

EMPLOYER REQUIREMENTS

Employer Identification Number

The Federal Employer Identification Number (EIN) is often used by state and local agencies as a means of cross-referencing businesses. The Commonwealth of Virginia strongly encourages all business entities to acquire and use a federal EIN. For more detailed information on obtaining a federal EIN, call the IRS at (800) 829-1040.

Employer Withholding Tax

The law requires employers to withhold federal and state income taxes and Social Security, FICA, and Medicare taxes from earnings of each of your employees (IRS publication 15). In addition, the business is required to make payments from its own funds to Social Security for each employee. For more detailed information, contact the IRS at (800) 829-1040.

Independent Contractors

A business is not required to withhold or pay employer taxes for monies it pays an independent contractor. The independent contractor is responsible for reporting his/her income and paying taxes. Independent contractors will need to obtain IRS Publication 15A which gives criteria and guidelines for independent contractors. Contact the IRS at (800) 829-1040.

Unemployment Tax

Industrial and commercial employers must register with the Virginia Employment Commission and pay the Unemployment Insurance tax if they had one or more persons employed for some portion of a day for 20 or more weeks during the current or preceding calendar year, or if they paid wages of \$1,500 or more in any calendar quarter in either the current or preceding calendar year. Under Virginia law, the entire cost is paid by the employer.

Tax rates are based on the employer's past unemployment experience (known as the employer's experience rating) and on the State's unemployment compensation experience as reflected by the condition of the State Unemployment Compensation Trust Fund.

Contact: For additional information about Unemployment Insurance, call the *Virginia Employment Commission*, at (703) 813-1399. For Virginia Employment Commission, address see the appendix.

Worker Compensation Insurance

Employers must carry workers' compensation insurance with a private insurance carrier or have a certificate of self insurance by the Virginia Workers' Compensation Commission if they have three or more employees regularly in service in the same business in Virginia. Workers' Compensation Insurance provides compensation and medical benefits to workers or their dependents if the workers become disabled or die from accidental injury or occupational disease due to their employment. Employers cannot deduct any part of the cost of workers' compensation insurance from the wages of any employee.

Contact: For more information about the Virginia Workers' Compensation Act, contact the *Virginia*

Workers' Compensation Commission at (804) 367-2069, or at their website: www.vwc.state.va.us. See the appendix for the address of the Virginia Workers' Compensation Commission.

Workers' Compensation Rates

The cost of workers' compensation insurance varies by industry, by occupation, and by state. Effective January 1, 1994, Virginia partially deregulated its rate making system for workers' compensation insurance, going to a "competitive rate" or "loss costs" estimate. With this change, it is no longer possible to quote the full voluntary market rate as a cost estimate.

Contact: For answers to questions concerning workers' compensation, including rates, please contact *National Council on Compensation Insurance at (561) 997-4633*. See the appendix for the address of the National Council on Compensation Insurance.

Employment Eligibility

The federal Immigration and Reform Control Act of 1986 states that all new employees must verify with their employer their eligibility to work. New employees must be U.S. citizens or aliens who are authorized to work in this country. Employees must verify employment eligibility of anyone hired after November 6, 1986, and complete and retain an "Employment Eligibility (Form I-9)," or obtain an "Employment Certificate" from the Virginia Employment Commission.

Contact: For more information on employment eligibility, please contact the *Immigration & Naturalization Service (INS) Department of Justice at (202) 307-1501*. See the appendix for the address of the INS.

Unlawful Discrimination

The City of Alexandria Human Rights Ordinance covers employers within the City who have four or more employees. Under the Ordinance, employers are prohibited from discriminating against employees on the basis of race, color, religion, disability, ancestry, sex, age, national origin, sexual orientation, marital status or familial status. The Ordinance prohibits discrimination in employment, housing, education, credit, health and social services and public accommodations.

The Alexandria Human Rights Office is responsible for investigating complaints of discrimination under both the local Human Rights Ordinance and the Federal Civil Rights Acts (e.g., Title VII of the Civil Rights Act, the Americans with Disabilities Act, and the Age Discrimination in Employment Act) that contain many of the same prohibitions at the federal level for employers with more than 15 employees. The Virginia Human Rights Act also covers many of these prohibitions. Employees may file a complaint of discrimination with either the Alexandria Human Rights Office, U.S. Equal Employment Opportunity Office, or the Virginia Council on Human Rights.

Contact: *Alexandria Department of Human Relations, Human Rights Office, (703) 838-6390*. See the appendix for the address of the Alexandria Department of Human Relations.

Rights of Persons with Disabilities

The Virginians with Disabilities Act protects the civil rights of persons with disabilities. The

provisions prohibit employers from discriminating against persons with disabilities in employment or promotion practices. It also requires that employers make reasonable accommodations to known physical and mental impairments of persons with disabilities.

Contact: *Virginia Department of Rights of Virginians with Disabilities, (804) 225-2042, or (800) 552-3962 (in Virginia, voice or TDD). See the appendix for the address of the Virginia Department of Rights of Virginians with Disabilities.*

Child Labor

Minors under 14 and 15 years of age may be required to obtain employment certificates before they may work and are subject to hour restrictions. No employment certificate is needed for adolescents 16 years of age and older. There are no hour restrictions once the minor turns 16 years of age. However, there are hazardous occupations in which a teenager may not work until age 18.

The Right-to-Work Law

Virginia is one of twenty states with a right-to-work law. The law prohibits a closed shop, where employers may hire only members of the contracting labor union, and a union shop, where the employee who is not a member of a union must join after a certain period of employment and must remain a member as a condition of employment.

Minimum Wage, Overtime and Medical Leave

All employees in Virginia not covered by the Federal Fair Labor Standards Act (FLSA) are covered by the Virginia Minimum Wage Law if the employer has four or more employees. The federal minimum wage rate is \$5.15 per hour. The Virginia Minimum Wage Law, which covers many employees not falling under the FLSA provides for a minimum wage identical to the FLSA rate. A firm that engages in interstate commerce and/or has gross sales of \$500,000 annually must abide by the federal requirements. A firm not engaged in interstate commerce and with gross sales less than \$500,000 annually is subject to Virginia law. Certain employees, including those who receive tips, are subject to different pay standards.

Under federal guidelines, overtime pay must be at least one and one-half times an employee's regular rate of pay for all hours worked over 40 in a work-week.

The Family Medical Leave Act (FMLA) entitles employees to be off from work, due to family medical reasons, up to twelve weeks in a year beginning from the initial date of enrollment. This law applies to firms with at least 50 employees working within a 75-mile radius.

Payroll and Wages

Employers may establish regular pay periods and rates of pay for all employees except executive personnel. Salaried employees must be paid at least once a month and employees paid on an hourly rate must be paid at least once every two weeks or twice a month. Students enrolled in a work-study program or its equivalent administered by any secondary school, institution of higher education, or trade school may be paid once each month if the institution so chooses. At termination of employment, Virginia regulations allow employers to pay employees all money due for work performed by the next

regularly scheduled pay period. Any forms of payroll deductions must be with an employee's approval.

Equal Pay

Under the Equal Pay Act of 1963, employers may not discriminate in pay on the basis of gender for equal work requiring equal skill, effort, and responsibility, and which is performed under similar working conditions. If this law is violated and the violation is found to be willful, the employee whose wages were wrongfully withheld has a right to recover damages to the extent of two times the amount of wages withheld.

Bulletin Board Poster Requirements

Employers operating in Virginia are required to display certain posters as prescribed by state and federal law. The required state and federal posters should be ordered directly from the issuing agency.

Contact: For more information and guidelines about **Child Labor and Right-to-Work Law, Minimum Wage, Payroll and Wages, Equal Pay,** and **Bulletin Board Poster Requirements,** contact the *Virginia Department of Labor & Industry Division of State Labor Law Administration, at (703) 392-0900.* See the appendix for the address of the Virginia Department of Labor & Industry.

For additional information about **Minimum Wage, Overtime,** and **Medical Leave,** please contact *U.S. Department of Labor, Wage & Hour Division at (703) 285-2575.* See the appendix for the address of the U.S. Department of Labor.