

Law & Policy Group



Roundup of selected state health developments, first-quarter 2024

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While most state legislatures stayed busy in the first quarter of 2024, comparatively few leave- and insurance-related bills became law. Instead, much of that activity took place on the regulatory front. For example, Delaware and Oregon issued extensive paid family and medical leave (PFML) regulations. Two cities (New York City and Minneapolis) and Washington state changed their paid sick and safe leave (PSSL) mandates. A judicial challenge prevailed in stopping an attempted revision to Puerto Rico's PSSL law. Indiana, Oregon and Washington passed laws limiting prescription drug (Rx) practices of pharmacy benefit managers (PBMs). Laws in Mississippi, Washington, DC, and Wyoming curbed prior-authorization requirements. New Jersey, South Dakota and Washington expanded telehealth access. Alabama drew national attention due to a state supreme court decision on the legal status of extrauterine embryos and subsequent legislation attempting to protect in vitro fertilization (IVF). A district court put an Illinois wage and pay parity law on hold, but Washington, DC, enacted a similar law. A change to Pennsylvania's tax code impacts the treatment of dependent care flexible spending accounts (DCFSAs), potentially requiring changes to Form W-2 for the 2023 tax year.

PFML

Delaware amended its existing PFML regulations, while Oregon addressed inconsistencies between its unpaid family leave and PFML laws. Washington focused on healthcare provider disclosures.

Delaware

Delaware's Division of Paid Leave <u>amended</u> the state's <u>existing regulations</u>:

• **Benefit coordination.** An employer may require employees to use up to 75% of earned, unused paid time off (PTO) before accessing PFML benefits. This PTO counts toward the maximum PFML

duration. Employers must provide notice of their coordination policy. Employers and employees may mutually agree to have PTO top off the PFML benefit, up to 100% of an employee's average weekly wage. With notice to employees, employers may count PFML used against any benefits available under a short- or long-term disability or other paid leave policy.

- **Benefit eligibility.** Covered employees must have at least 1,250 hours of employment in the 12 months before leave begins to be eligible for benefits. The 12-month period need not be consecutive for covered employees with a break in service shorter than seven years. A covered employee is ineligible for PFML if receiving or entitled to receive workers' compensation, personal injury protection or unemployment benefits.
- **Covered employer.** An employer's state of incorporation is irrelevant. Employers with at least 10 employees primarily working in the state are subject to the law.

These regulations took effect on March 11. Contributions will start on Jan. 1, 2025. Benefits will become available on Jan. 1, 2026. For details on PFML laws, see <u>2024 state paid family and medical leave</u> contributions and benefits (Jan. 31, 2024).

Oregon

Oregon passed a law improving coordination between its Paid Leave Oregon (PLO) program and the Oregon Family Leave Act (OFLA). In addition, regulators finalized more PFML rules.

PLO-OFLA law. The new law (<u>2024 Ch. 20</u>, SB 1515) reduces redundancies in the PLO and OFLA, essentially eliminating employees' ability to stack PLO and OFLA leaves or take those leaves consecutively.

OFLA currently provides 12 weeks of unpaid leave (plus another 12 weeks for pregnancy- or childbirthrelated disability) for reasons similar to those available under the federal Family and Medical Leave Act (FMLA). The law also grants bereavement leave (up to two weeks per death) and sick child leave. PLO benefits are available for up to 12 weeks per year and an additional two weeks for pregnancy- or childbirth-related disability. Qualifying reasons under the two laws are largely the same, with some exceptions. Employers subject to federal FMLA may still have FMLA leave run concurrently with either PLO or OFLA leave if the reason qualifies under the federal and state laws.

Effective July 1, the new law reduces duplication between the two laws by removing most (but not all) of the OFLA qualifying reasons (including the employee's or family member's serious health condition and child bonding) that are available under PLO. OFLA will still provide protected leave for reasons PLO does not, particularly caring for a sick child; providing home care due to a school closure or a public health emergency; and grieving a family member's death, for which leave will be limited to four weeks per year. One exception is pregnancy- or childbirth-related disability leave, which will continue to be covered by both laws.

Starting on July 1 through the end of 2024, employees will have up to two weeks under OFLA to effectuate the legal process for foster care placement or adoption. Thereafter, leave for this reason will be available solely under PLO, up to the standard 12 weeks per year.

Effective July 1, the new law allows employees to use any employer-provided accrued sick leave, vacation or other PTO to top off the PFML benefit, up to their full wages. However, no current mechanism exists for employers to look up an employee's PFML benefit to calculate the top-off amount. As a result, employers may — but are not required to — allow a top-off amount that results in benefits exceeding full wages. Unless prohibited by a collective bargaining agreement, employers may also dictate the order in which employees use employer-provided paid leave for top-off purposes; for example, an employer could require using vacation before sick time.

Under the state's current <u>predictive scheduling law</u>, employers must provide at least 14 days' notice to change an employee's schedule or pay additional compensation. The new law creates an exception to this rule. If an employer has fewer than 14 days' notice that an employee on leave will return to work, the employer may change the schedule of the person temporarily assigned to cover for the employee during the leave and does not have to pay additional compensation to that person.

PFML regulations. The Oregon Employment Department (OED) finalized its <u>Batch 9 regulations</u>, a collection of 16 PFML rules now in effect. These changes either align with recent PLO amendments or address technical and procedural requirements:

- **Family members.** Affinity relationships recognized in the family member definition are defined to include situations in which the employee has a significant bond based on specific factors with another person.
- Information collection. Information may only be collected for program administration. Social Security numbers and individual taxpayer identification numbers may be collected only for verifying wages, reporting taxes, repaying debts and collecting contributions.
- **Permissible disclosures.** OED may disclose relevant information to an employee, an employee's designated representative and the Office of Administrative Hearings. Contribution information may also be disclosed to an employer or employer's representative. Disclosure of benefit information requires the employee's authorization.

Washington

A new law (2024 Ch. 150, HB 2102) clarifies requirements for healthcare providers' PFML disclosures. Providers must provide PFML certifications and documentation within seven calendar days after a request at no charge to the patient. However, providers can charge a fee for an office visit needed to evaluate the patient. The law will take effect on June 6.

Other leave-related issues

Puerto Rico's paid vacation and sick leave requirements will remain unchanged after the US Supreme Court declined to review a decision invalidating 2021 amendments to the law. Washington expanded the "family member" definition in its PSSL law. New York City amended its PSSL ordinance to allow a private right of action. Duluth repealed its PSSL ordinance in deference to Minnesota's new law, while Minneapolis issued regulations for its PSSL ordinance. Seattle ramped up enforcement of the app-based PSSL requirement.

Minnesota — Duluth

The city of Duluth <u>repealed</u> its earned sick and safe time (ESST) ordinance, effective Jan. 17. The apparent <u>rationale</u> was to eliminate duplication with the state's ESST law, which took effect on Jan. 1. For information on the state law, see <u>Minnesota passes paid family and medical leave law</u> (July 10, 2023) and the corresponding <u>slide deck</u> (July 25, 2023).

Minnesota — St. Paul

St. Paul's Department of Human Rights and Equal Economic Opportunity (HREEO) issued <u>final rules</u> clarifying the <u>amended Earned Sick and Safe Time (ESST) ordinance</u>, enacted last October and now in effect. The ordinance was revised primarily to align with the state's ESST law, which took effect Jan. 1. Highlights of the amended St. Paul ordinance include:

- Accrual. Travel time before and after work does not count. Overtime hours and paid on-call time count for hourly employees. Salaried employees accrue ESST based on expected work hours (capped at 40 per week).
- Eligibility. Employees are eligible if they work at least 80 hours per year within the city limits. Employees working from home are covered if they work within the city limits or the employer is located within the city limits.
- Frontloading. Employers may choose carryover or frontloading for different job classifications. An employer has two frontloading methods: (1) frontload up to 48 hours and pay out unused sick leave at year-end, or (2) frontload up to 80 hours and avoid a year-end payout. If an employer chooses to frontload, it must use the same method for all frontloaded employees. If an employer switches from carryover to frontloading (or vice versa), affected employees must have at least as many ESST hours available on the first day of the new year as they did on the last day of the prior year.
- **Usage.** Employers can prohibit ESST use if an employee is a disciplinary leave or suspension.
- Payments. The rules address pay-rate calculations for workers paid on a piecework basis.
- **Employee notice.** Employees do not need to explicitly reference the ordinance or mention ESST as long as their notice names a reason within ESST's scope.

• **Employer notice.** The rules detail nine required content items for the employer notice to new hires. A poster is also required.

More information, including the poster, is available on the <u>HREEO webpage</u>.

New York — New York City

A <u>New York City ordinance</u> amends the city's <u>Earned Safe and Sick Time Act</u> (ESSTA) to create a private right of action and penalties payable to the city to enforce the law. An employee does not need to file a complaint with the Department of Consumer and Worker Protection before bringing a civil action. Employees may receive compensatory damages, along with injunctive, declaratory and other relief. The statute of limitations is two years from when an employee knew or should have known about the violation. The law is now in effect. For details on the ESSTA, see <u>Roundup: State accrued paid leave mandates</u> (Oct. 25, 2023).

Puerto Rico

In 2021, Puerto Rico enhanced its <u>paid sick leave and vacation law</u>, particularly its eligibility, accrual and carryover provisions. However, a federal oversight board successfully challenged the amendments under a <u>2016 federal law</u>. On March 25, the US Supreme Court denied a writ of certiorari in the case, effectively ending the litigation and keeping in place the original, unamended law. For background, see <u>Litigation update on selected state benefit and leave laws</u> (March 28, 2024) and <u>Roundup of selected state health developments</u>, first-quarter 2023 (May 19, 2023).

Washington

New legislation (2024 Ch. 356, SB 5793) amends the state's PSSL law. A "family member" will include any individual who regularly resides in an employee's home or has a relationship with the employee the creates an expectation the employee will provide care and the individual depends on the employee for care. This change aligns with the state's PFML law. Family members will also include a child's spouse, but the terms "grandchild" and "grandparent" are limited to an employee's grandchild or grandparent. The qualifying reason for place-of-business and place-of-care closures will include a federal-, state- or local-declared emergency (an undefined term that appears to encompass extreme weather). The changes will take effect Jan. 1, 2025.

Washington — Seattle

The Office of Labor Standards (OLS) announced its first two penalties for violations of the <u>App-Based</u> <u>Worker Paid Sick and Safe Time (PSST) ordinance</u>. First, OLS <u>issued</u> more than \$27,000 in fines for a catering company's violations affecting 56 workers. The company allegedly failed to establish an accessible PSST system and provide employees monthly notices of PSST balances, a notice of rights, and a written PSST policy. Second, OLS <u>recovered</u> more than \$730,000 in compensation from a grocery deliverer for more than 5,500 workers. OLS also issued a fine of almost \$20,000. The violations occurred over about a 3½-year period. For details on the PSST law, see this <u>OLS webpage</u>. Page 6 Law & Policy Group | GRIST Roundup of selected state health developments, first-quarter 2024

Rx

An Indiana law restricts the use of PBM rebates. A New Jersey law requires fully insured plans to take into account discounts from online Rx platforms. Oregon laws address clinician-administered drugs and third-party financial assistance. A Washington law imposes limits on PBMs working on behalf of fully insured plans (with a self-funded ERISA plan opt-in).

Indiana

The Insurance Code previously gave insurers the option to have drug rebates reduce cost sharing at the point of sale (POS). Under <u>2024 Pub. L. 158</u> (HB 1332), fully insured plans must give plan sponsors the option to apply either:

- 100% of rebates to reduce premiums equally for all participants
- 85% of rebates at the POS before the participant cost sharing is calculated

The law will take effect July 1. Indiana generally does not apply its insurance laws on an extraterritorial basis to fully insured plans issued in another state. The law does not affect self-funded ERISA plans.

New Jersey

As a result of <u>2023 Ch. 221</u> (SB 3604), pharmacies may now apply a discounted price generated by a healthcare platforms (like GoodRx) for prescription drugs, even for individuals with insurance, without fear of a PBM penalty. PBMs may not penalize a pharmacy for applying discounts from healthcare platforms. The law took immediate effect on Jan. 8.

Oregon

Two laws were passed:

2024 Ch. 24 (HB 4012). This law addresses a practice commonly known as "white bagging" for clinician-administered cancer drugs. The practice involves the distribution of Rx, typically from a specialty pharmacy(often at higher cost) directly to a physician, hospital, clinic or specific pharmacy, thus avoiding a regular pharmacy. In certain circumstances, fully insured plans and multiple-employer welfare arrangements (MEWAs) — both self-funded and fully insured — will be prohibited from requiring only selected or in-network pharmacies dispense these drugs, limiting or denying coverage of these drugs dispensed by out-of-network (OON) pharmacies, and requiring higher cost sharing or participant fees for using an OON pharmacy. This prohibition applies only if: (1) a delay in care would make disease progression probable, (2) the use of an in-network pharmacy would make death or patient harm probable or potentially cause a barrier to compliance with the plan of care, or (3) timeliness concerns necessitate delivery by an OON pharmacy. In addition, plans will not be able to require that an in-network provider bill the pharmacy benefit — instead of the medical benefit — for delivering and administering the drug, unless the patient consents and the delay in administration does not increase the patient's health risk.

<u>2024 Ch. 35</u> (HB 4113). Fully insured plans, PBMs and MEWAs (both self-funded and fully insured) will have to include amounts from third parties for a covered prescription drug when calculating a participant's contribution to the deductible, the OOPM and other cost sharing under certain conditions: (1) The prescription drug has no generic equivalent; (2) the drug has a generic equivalent, but the participant has obtained prior authorization, completed step therapy, or otherwise received plan approval; and (3) a participant with a health-savings-account-qualifying high-deductible health plan (HDHP) has met the minimum statutory HDHP deductible under § 223(c)(2) of the Internal Revenue Code (IRC).

Both laws will take effect for plan or policy years starting on or after Jan. 1, 2025. Oregon generally does not apply its insurance laws on an extraterritorial basis to fully insured plans issued in another state. Whether the law affects self-funded ERISA plans is unclear.

Washington

Washington's new law (2024 Ch. 242, SB 5213) requires PBMs to apply the same fees, conditions and utilization-review standards to mail-order pharmacies and other in-network pharmacies. Besides expanding participants' rights related to mail-order Rx, the law also prohibits PBMs from:

- Imposing additional credentialing or other requirements for participation in any network (including specialty)
- Reimbursing network pharmacies less than the PBM's contract price with an insurer, third-party payer or other purchaser
- Excluding a pharmacy from the network solely because the pharmacy is new
- Requiring participants to pay more at the POS for a covered drug than the cash price, if less than the applicable cost-sharing amount
- Requiring or coercing participants to use PBM-affiliated pharmacies

Self-funded ERISA plans may participate in the law's major provisions but may prefer to negotiate similar terms in the PBM services contract. The law will take effect on Jan. 1, 2026.

Insurance

A New Jersey law expanded its fertility coverage requirement to include in vitro fertilization (IVF) and cover a broader range of participants. California expanded a coverage mandate for preexposure prophylaxis (PrEP) and postexposure prophylaxis (PEP) drugs. Mississippi, Washington, DC, and Wyoming laws focused on prior-authorization requirements, imposing turnaround timelines more condensed than the federal standard of 72 hours for urgent claims and 15 days for nonurgent claims.

California

Under <u>2024 Ch. 1</u> (SB 339), managed care plans (including health maintenance organizations) and insured plans must cover PrEP and PEP furnished by a pharmacist, including pharmacist services and related testing ordered by a pharmacist. Coverage previously was limited to a 60-day supply of PrEP every two years. Pharmacists now may provide a 90-day course of PrEP every two years or more frequently if warranted. The law, now in effect, applies to in-network and OON pharmacies.

California generally does not apply its insurance laws on an extraterritorial basis to fully insured plans issued in another state, as long as both an employer's principal place of business and a majority of employees are located outside of California. The law does not affect self-funded plans.

Mississippi

The <u>Mississippi Prior Authorization Reform Act</u> (SB 2140) requires insurers to make prior-authorization requirements and related statistics readily accessible by posting them on a website. Electronic processing of prior-authorization requests must be in place by Jan. 1, 2025, and in use by all healthcare providers by Jan. 1, 2027. Insurers must make determinations within seven calendar days in nonurgent circumstances and within 48 hours in urgent circumstances. Approvals are valid for the lesser of six months or the length of treatment. Except for the electronic-processing requirements, the law will take effect on July 1.

Mississippi applies its insurance laws on an extraterritorial basis to state residents covered by fully insured plans issued in another state. The law does not affect self-funded ERISA plans. For a general discussion of prior authorization, see <u>Practice of prior authorization draws increased scrutiny</u> (Feb. 29, 2024).

New Jersey

A new law (2024 Ch. 258, AB 5235) builds on the <u>currently required</u> fertility coverage to include any medically necessary service as determined by a physician and in accordance with the <u>American Society</u> for <u>Reproductive Medicine</u> (ASRM) <u>guidelines</u>. These services may include intrauterine insemination (IUI), genetic testing, IVF using donor eggs or a surrogate, unlimited embryo transfers, and costs related to egg and sperm donation. ASRM-approved utilization review is permissible. The law mirrors the ASRM <u>definition of infertility</u>, which includes inability to get pregnant because of a patient's medical, sexual and reproductive history; age; physical findings; diagnostic testing; and the need for medical intervention. Plans cannot exclude participants who have successfully reversed a voluntary sterilization.

The new law prohibits plans from denying or delaying treatment based on relationship status and sexual orientation and from imposing age restrictions. The law will take effect for insurance contracts issued or renewed on or after Aug. 1. New Jersey generally does not apply its insurance laws on an extraterritorial basis to fully insured plans issued in another state. The law does not affect self-funded ERISA plans.

Washington, DC

Under <u>2024 Act 25-0100</u> (B25-0124), fully insured plans with prior-authorization requirements for covered benefits must:

- Make prior-authorization determinations within 24 hours for urgent services, 30 days for long-term services, and three to five business days for all other healthcare
- Disclose the qualifications of the personnel making determinations, and when a prior-authorization request is denied, communicate the reasons for the denial and the right and process to appeal
- Disclose prior-authorization requirements to patients and providers, including by posting on a public website
- Base prior-authorization requirements on a determination of medical necessity or f experimental/investigatory care and not solely because of cost
- Comply with data transparency requirements that will take effect on Jan. 1, 2025
- Maintain prior-authorization approval as long as medically necessary for a course of treatment or a chronic condition and for at least one year in other cases

Failure to comply with these and other requirements in the law deems the healthcare service in question approved. With the exception of data transparency, the law took effect on Jan. 17. Washington, DC, applies its insurance laws on an extraterritorial basis to city residents covered by fully insured plans issued in elsewhere. The law does not affect self-funded ERISA plans.

Wyoming

As a result of <u>2024 Ch. 19</u> (HB 14), insurers and utilization review entities face certain restrictions related to prior authorization, including:

- Enhanced disclosures, including posting prior-authorization requirements on a public website
- Determination deadlines of 72 hours for urgent claims and five calendar days for nonurgent claims (the federal ERISA standard is 72 hours and 15 days, respectively)
- Prohibition on requiring prior authorization for drugs to treat opioid use disorder
- "Gold-carding" mandate, exempting providers from prior-authorization requirements for one year (excluding pharmacy and prescription drugs) if 90% of their authorizations (assuming a minimum of five requests) were approved in the prior 12-month period
- Validity of outpatient and prescription drug authorizations for at least one year

All provisions will take effect on July 1, except for the gold-carding mandate, which will take effect on Jan. 1, 2026. Extraterritorial application of Wyoming insurance laws is unclear. The law does not apply to self-funded ERISA plans.

Telehealth

New Jersey and South Dakota joined interstate compacts, expanding access to telehealth services. Interstate licensure compacts for several professions continue to garner interest at the state level. These laws generally simplify the licensing process and improve access to providers, particularly in rural and other underserved areas. Washington eased the requirements for establishing an audio-only patient-provider relationship and passed a law allowing out-of-state practitioners to provide telehealth services in the state.

New Jersey

Under <u>2023 Ch. 324</u> (AB 5311), New Jersey is now the latest member of a professional counseling compact. The Counseling Compact is an interstate compact or a contract among states, allowing professional counselors licensed and residing in a compact member state to practice in other compact member states without needing multiple licenses. Licensed professional counselors can practice in any member state via telehealth, adhering to the laws and regulations of the remote state. The law took effect Jan. 16.

South Dakota

With the enactment of <u>HB 1017</u>, South Dakota becomes the latest state (plus Washington, DC) to join the <u>Psychology Interjurisdictional Compact</u> (known as PSYPACT), an interstate compact facilitating the practice of mental health services across state boundaries. The compact allows a psychologist licensed in a compact state to practice telepsychology in other compact states. The law will take effect on July 1.

Washington

Washington passed two laws that will take effect on June 6:

- <u>2024 Ch. 215</u> (SB 5821). This law expands the time frame for establishing a relationship for audioonly telehealth services. The state previously required either an in-person appointment or a real-time interactive appointment with the provider in the past two years. Alternatively, a referral by a provider who met the two-year standard was also permissible. Mental health and substance use disorder treatments had a three-year time frame. Now, the standard is three years for all healthcare services. Washington law requires fully insured plans, state and local governmental plans, and state Medicaid plans to reimburse telemedicine services if the plan covers the same service when provided in person.
- <u>2024 Ch. 212</u> (SB 5481). The Uniform Telehealth Act enables out-of-state healthcare practitioners who are in good standing where they are licensed to provide telehealth services in Washington in

limited circumstances. A provider-patient relationship can be established via telehealth, but not by email or instant/text messaging.

Washington applies its insurance laws on an extraterritorial basis to state residents covered by fully insured plans issued in another state. The law does not affect self-funded ERISA plans.

Other benefit-related issues

Alabama created a stir with a court ruling and ensuing legislation related to the legal status of extrauterine embryos. Illinois focused on pay and benefits parity for day and temporary workers. Minnesota limited pay-history inquiries, and Washington, DC, did the same while enacting wage transparency requirements. Pennsylvania updated its tax code for DCFSAs.

Alabama

In February, the state supreme court <u>ruled</u> that embryos created through IVF and stored in a medical facility are considered children under the Alabama's Wrongful Death of a Minor Act. That law allows parents, and in some cases a minor's personal representative, to bring a civil action for a child's death. In response to the court decision, Alabama enacted <u>Act No. 2024-20</u> (SB 159), providing civil and criminal immunity for IVF patients and providers, along with criminal immunity with limited civil liability for manufacturers of goods used in the IVF process or transport of embryos.

The decision and new law put a spotlight on robust fertility benefits that include IVF, a growing trend among employer-sponsored group health plans. The decision prompted some employers to review medical travel policies and consider other implications.

Illinois

A US district court judge <u>granted</u> a preliminary injunction that stopped the equivalent benefits requirements in the <u>Illinois Day and Temporary Labor Services Act</u> from taking effect on April 1. The provision at issue requires temporary service agencies to pay eligible temporary employees working at a particular site for more than 90 days at least the same wages and equivalent benefits when compared with the lowest paid, directly hired employee at the same work location. Alternatively, agencies can pay these employees an hourly cash equivalent of the actual benefit cost. The plaintiffs argued that the equivalent benefit mandate is an impermissible "connection with or reference to" their ERISA plans and should be preempted. The equal wages portion of the law was not challenged. The court denied a preliminary injunction for other parts of the law.

Minnesota

As of Jan. 1, <u>Section 363A.08</u> of Minnesota's Human Rights Code prohibits employers, employment agencies, or labor organizations from inquiring, considering, or requiring any source to disclose an applicant's pay history for the purpose of determining wages, salary, earnings, benefits, or other compensation. Minnesota's Department of Human Rights has provided <u>guidance</u>. For information on

other state activity in this area, see <u>Roundup: US employer resources on states' recent equal pay laws</u> (April 4, 2024).

Pennsylvania

The Department of Revenue (DOR) <u>confirmed</u> that <u>2023 Act 34</u> (HB 1300) rendered DCFSA contributions nontaxable under state law, mirroring their status under IRC <u>§ 129</u>. Because the law passed on Dec. 14, 2023, with a retroactive effective date of Jan. 1, 2023, corrected 2023 W-2 Forms may be required. Here are the DOR-suggested actions:

- Employers. If W-2s had already been filed with DOR (the deadline was Jan. 31), file corrected W-2s and send corrected W-2s to affected employees. If W-2s had not been filed yet, file updated W-2s (i.e., excluding box 10 amounts from box 16 state wages). Do not file amended W-3s and Annual Withholding Reconciliation Statements (REV-1667s). Going forward, confirm that DCFSA contributions are nontaxable.
- **Employees.** In separate <u>guidance</u>, DOR confirmed that affected employees should request a corrected W-2. Failing that, employees' state tax returns may reflect box 16 state wages, decreased by the amount in box 10, using the revised amount for line 1a. These returns should also include a written statement from the employer, verifying why the amounts do not match.

The 2023 law did not affect state tax treatment of 401(k) contributions, which remain taxable; see this long-standing <u>DOR guidance</u>.

Washington, DC

The <u>Wage Transparency Omnibus Amendment Act</u> (2024 Act L25-0138) requires employers to include salary information in job postings and prohibits salary history inquiries. Highlights include:

- Broad definition of compensation, including all forms of employer-provided monetary and nonmonetary benefits
- Applicability to employers with at least one employee in the district, excluding the city and federal government
- Requirement to include salary ranges in job advertisements and postings
- Disclosure of the availability of healthcare benefits before the first interview
- Ban on seeking prospective employees' wage history and screening candidates based on their wage history

The law will take effect on June 30.

Related resources

Mercer Law & Policy resources

- Roundup: US employer resources on states' recent equal pay laws (April 4, 2024)
- Litigation update on selected state benefit and leave laws (March 28, 2024)
- Practice of prior authorization draws increased scrutiny (Feb. 29, 2024)
- 2024 state paid family and medical leave contributions and benefits (Jan. 31, 2024)
- Roundup: State accrued paid leave mandates (Oct. 25, 2023)
- Roundup of selected state health developments, first-quarter 2023 (May 19, 2023)

Other Mercer resources

- Life, absence and disability benefits
- <u>MercerRx</u>

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