

COWDEN TIMES

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[California's Assembly Bill 5: Disruption of Gig Economy?](#)

California's new Assembly Bill 5, signed into law on September 18, 2019, leads to questions of the stability of the gig economy in that state. If individuals must reclassify to employees from independent contractors, there is a real threat to the viability of the business model, according to Cowden Associates, President/CEO Elliot Dinkin.

[Read the full article.](#)

[2020 Comp Trends: One Size Won't Fit All](#)

The American workforce is changing. Within the next two years, studies predict that 50 percent of all employees will be Millennials [1]. The other half of the workforce is a mixture of Generation X and Baby Boomers, which means the ages of employees in America can range anywhere from 18 to 70. Successful companies must adapt to this changing landscape, and tailor their compensation and benefit strategies to meet the needs of their employees, as a multi-generational workforce, increasing health costs and the rise of the gig economy take us into 2020.

[Read the full article.](#)

[Compliance Overview: Key HSA Features - 2020 Compliance](#)

Health savings accounts (HSAs) are a popular type of tax-advantaged medical savings account available to individuals enrolled in high deductible health plans (HDHPs). Individuals can use their HSAs to pay for expenses covered under the HDHP until their deductible has been met, or they can use their HSAs to pay for qualified medical expenses that are not covered under the HDHP, such as dental or vision expenses.

HSAs provide a triple tax advantage—contributions, interest and earnings, and amounts distributed for qualified medical expenses are all exempt from federal income tax, Social Security/Medicare tax and most state income taxes. Due to an HSA's potential tax savings, federal tax law includes strict rules for HSAs, including limits on annual contributions and HDHP cost sharing.

Read the [Compliance Overview](#), which summarizes key features for HSAs, including the contribution limits for 2020.

Contact your Cowden [representative](#) for more information on this or other compliance issues.

[Team Cowden Participates in Pittsburgh's National](#)

Kidney Walk

Team Cowden employees and their family and friends participated in Pittsburgh Kidney Walk on November 3rd to help create awareness of the disease and improve as many lives as possible. Despite the brisk early morning temperatures, the team had a great time!



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Industry News

The Overtime Rule Gets an Overhaul: Are You Ready?

To reduce the risk of non-compliance, businesses should prepare now for the upcoming overtime rule changes that primarily impact white-collar employees.

The U.S. Department of Labor's (DOL) revisions to the Fair Labor Standards Act (FLSA) white-collar exemption are expected to be finalized soon. The proposed new rules would raise the salary threshold from \$455 per week (\$23,660 per year) to \$679 per week (\$35,308 per year), allow employers to include "certain nondiscretionary bonuses and incentive payments" up to 10% of the new \$679 per week salary threshold and, raise the total annual compensation requirements for highly compensated employees to \$147,414.

[Read the full article.](#)

Meet Our Team

Our team consists of 27 employees and in each newsletter, we take the time to highlight some of them. To see our entire team [click here](#).



Margaret A. Lacek, EA, FSA, FCA, MAAA Senior Consultant and Actuary

What's one thing you couldn't live without? Air!

What is your favorite thing to do? Spend time with my husband and grown children.



Bradford L. Rigby, ASA, EA, MAAA Vice President, Retirement and Actuarial Services

What's one thing you couldn't live without? Sarcasm

What is your favorite thing to do? Watch my kids play sports (This isn't sarcastic- I'm being serious here. Seriously.)

Peter Carlson



Analyst

What's one thing you couldn't live without? I can't live without a good, suspenseful novel.

What is your favorite thing to do? Relaxing weekend bike rides.



Jeanne Michaud Consultant

What's one thing you couldn't live without? My family!

What is your favorite thing to do? Go to the beach.

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What's Dinkin Thinkin'?



Insight from Cowden President/CEO Elliot N. Dinkin covering a variety of topics including compensation, benefits, retirement, management, sales, and marketing.

Today, as President/CEO, Elliot provides leadership to position the company at the forefront of the consulting industry. Follow Elliot's Blog, [What's Dinkin' Thinkin'](#) or on Twitter, [@ElliotDofCowden](#).

California Law Impacts Independent Contractors

On September 18, 2019, the California governor signed into law a bill that will expand last year's California Supreme Court decision regarding independent contractor status in California (*Dynamex v. Superior Court*). The court made it much more difficult for employers to legally classify their workers as independent contractors. Assembly Bill 5, which will take effect on January 1, 2020, codifies the *ABC test* and extends its application to numerous additional California employment laws.

Under the ABC test, a worker is deemed an employee unless the hiring entity establishes *each* of the following:

- A** — the worker is free from the direction and control of the company; and
- B** — the worker performs work that is outside the company's main business; and
- C** — the worker normally performs work in an independent business or trade that is in the same vein as the work he or she is performing for the company.

The reach of the decision will extend beyond California's wage laws. Benefits will be impacted including workers' compensation, paid sick leave, unemployment, and other protections under the California Labor Code.

[Read the full article.](#)

About Cowden

Cowden Associates, Inc. (Cowden) is recognized as a leading independent compensation, health and benefits, and retirement consulting firm regionally, nationally, and internationally. Cowden was established in 1996, bringing

together seasoned professionals to provide client-focused advice designed to produce superior and measurable results to businesses, regardless of size or industry. Client industries include: financial institutions, governmental entities, healthcare, manufacturing, not-for-profit, school districts, and Taft-Hartley.

Cowden's exceptional interactive approach is what sets us apart from similar consulting firms. To deliver a tailored resolution to your specific needs, we first identify the overall attributes exclusive to your organization. We build an understanding of your organization by asking questions, observing, and listening. In this manner, you are not merely receiving a pre-fabricated answer, but rather a unique solution for your circumstances.

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