



CUT AND PASTE POST NOVEMBER, 2019: LOOKING FORWARD TO 2020

Montana Minimum Wage Increase

On January 1, 2020, Montana’s minimum wage will increase from \$8.50 per hour to \$8.65 per hour. This is pursuant to Montana Code Annotated §39-3-409, which requires a minimum wage adjustment annually based on changes in inflation as measured by the Consumer Price Index (CPI). The new wage was calculated based on a 1.75% increase in the CPI from August, 2018 to August, 2019, as follows:

$$\begin{aligned} \$8.50 \times 1.75\% &= \$0.148 \text{ increase; rounded to } \$0.15 \\ \$8.50 + \$0.15 &= \$8.65 \end{aligned}$$

OSHA Inspections / Safety Consultations

OSHA’s FY 2020 budget request, updated [Field Operations Manual](#) (FOM) for its inspectors, and a statement about its new weighting system indicate that construction companies are very likely to be the focus of upcoming OSHA inspections.

The FOM, which took effect Sept. 13, 2019, lists four priority levels for inspections:

- **First: Imminent Danger** – conditions where a danger exists that could reasonably cause death or serious physical harm
- **Second: Fatality/Catastrophe** – OSHA defines catastrophe as the hospitalization of an employee, an amputation or physical loss of an eye
- **Third: Complaints/Referrals**, and
- **Fourth: Programmed Inspections** – these occur where known hazards (combustible dust, chemical processing, falls in construction) exist.

Exceptions can be allowed by OSHA Area Directors based on a National, Regional or Local Emphasis Program, and follow-up or monitoring inspections.

Updated Weighting System

Beginning in 2015, OSHA prioritized its inspections using a weighting system. The more complex, time-consuming inspections received multipliers, called enforcement units, or EUs. OSHA’s resources, including inspectors, were then assigned based on available EU’s.

The 2015 weighing system has now been modified. The [OSHA Weighting System \(OWS\) for FY 2020](#) took effect October 1st, 2019 and puts less emphasis on how long an inspection takes and greater emphasis on other factors, including the impact of inspections and agency priorities. In its [FY 2020 budget](#)

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[plan](#), OSHA said the new OWS “is expected to yield a slightly greater percentage of construction inspections for FY 2020.”

OSHA already monitors the construction industry more closely because the construction industry accounts for only 7% of employment but 20% of worker fatalities. So, a ‘slight’ increase in a high number of inspections means a significant increase in the number of inspections in that industry. In addition to the increase resulting from the new rating system, OSHA will continue its trenching/excavation National Emphasis Program which continue to be hazards that commonly cause injuries and deaths in construction.

Professional Pointer: Companies that participate in voluntary compliance programs, including Safety Consultations, the [Safety and Health Achievement Recognition Program](#) (SHARP), and the [Voluntary Protection Program](#) (VPP), may be exempt from OSHA’s programmed inspections. If your organization isn’t taking advantage of these programs, they are definitely worth a look.

Montana’s 2020-2021 Safety and Health Bureau’s goals include assisting employers in complying with workplace safety and health standards. Objectives to attain this goal include:

1. Assist 175 public sector employers with safety and health.
2. Conduct 200 safety compliance visits with State Agencies, Cities, and Counties.
3. Conduct inspections on Montana’s six coal mines.
4. Conduct annual sand and gravel inspection.
5. Utilize the Occupational Safety & Health Administration (OSHA) Consultation Program to reach out and provide safety and health services to 175 private sector employers around the state.

To request a free safety consultation from the Montana Safety and Health Bureau, go to:

http://erd.dli.mt.gov/safety-health/onsite-consultation?pk_vid=f423aa64cb485bb71573169345f62d61

IRS Adjustments for Pension Plans and Other Retirement-Related Items

On November 6th, the Internal Revenue Service (IRS) announced the tax year 2020 cost-of-living adjustments for pension plans and other retirement-related items. Many pension plan limits will change next year because the increase in the cost-of-living index met the statutory thresholds that trigger their adjustment.

Go to [Notice 2019-59](#) for more information.

IRS Adjustments to Health FSAs and Transit Benefits

Also on November 6th, the IRS announced annual inflation adjustments for more than 50 tax provisions, including an increase in voluntary employee contributions to employer-sponsored healthcare flexible spending arrangements (HFSAs) to \$2,750 for plan years beginning in 2020, up from the 2019 limit of \$2,700.

The IRS also announced an increase in the 2020 monthly limits for qualified transportation fringe benefits under Code § 132(f). For those with qualified parking, the monthly limit is increasing from \$265 to \$270.



For more information, go to [Revenue Procedure 2019-44](#).