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# Paychex Identifies Top Five Regulatory Issues of the Summer

*Compliance experts at Paychex highlight the latest government regulations impacting America's businesses*

ROCHESTER, N.Y.--(BUSINESS WIRE)-- Paychex, Inc., a leading provider of [payroll](#), [human resource](#), [insurance](#), and [benefits outsourcing](#) solutions for America's small and medium-sized businesses, today announced the following [top five regulatory issues of the summer](#) that could potentially impact businesses. By working closely with the IRS and other government agencies throughout the year, Paychex actively monitors regulatory and compliance-related issues that are likely to affect its 570,000 clients.

"Health care reform continues to be a major issue on the minds of businesses large and small," said Martin Mucci, Paychex president and CEO. "Couple that with other hot topics such as immigration reform and the marriage definition, and it's clear the summer could prove to be an extremely consequential time for issues affecting the country's business climate."

The top five regulatory issues of the summer include:

**1. Health Care Reform** – Many employers are anxious about the upcoming obligations they face under health care reform, with one of the leading issues being Employer Shared Responsibility. Employer Shared Responsibility requires employers with 50 or more full-time employees (taking into account full-time equivalent (FTE) employees) to determine if the requirement is applicable, and, if so, which employees may subject their employers to potential assessable payments if they are not offered coverage. Employers also need to determine if the coverage offered meets the minimum standards of actuarial value and affordability. For more information on Employer Shared Responsibility, and the other key provisions of the Affordable Care Act, visit the [Paychex Health Care Reform Resource Center](#).

**2. Immigration Reform** – Immigration reform continues to be a topic of great interest this summer. On Thursday, June 27, the U.S. Senate passed by a vote of 68-32 the [Border Security, Economic Opportunity, and Immigration Modernization Act](#). The area of most interest to businesses includes a mandatory E-Verify requirement.

**3. Defense of Marriage Act** – On Wednesday, June 26, the U.S. Supreme Court issued its rulings on two highly anticipated cases related to same-sex marriage— *Hollingsworth v. Perry*, challenging the constitutionality of California's Proposition 8 which bans marriage between same-sex couples, and *United States v. Windsor*, which challenges the constitutionality of the federal Defense of Marriage Act (DOMA). The Court found DOMA to be unconstitutional, giving legally married same sex couples equal treatment under the law. Regarding the *Hollingsworth* case, the Court ruled that the sponsors of Proposition 8 didn't

have the standing to appeal the ruling of the District Court that the ballot measure was unconstitutional. In light of these rulings, we expect there will be a number of changes required by employers in areas such as payroll taxes, health insurance, FSA/section 125, and employment regulations.

**4. Online Sales Tax** – The U.S. Senate recently passed the [Marketplace Fairness Act](#), a bill that would allow states to require Internet retailers with more than \$1 million in sales to collect and remit sales taxes to state and local governments. The measure still needs to be approved by the House, and President Obama has indicated he supports the bill. Some large e-retailers who have the resources and systems to handle the tax are generally supportive of the act, as are many large 'brick and mortar' retailers. Conversely, smaller online retailers are concerned about the significant, incremental burden they will face. In addition to the Marketplace Fairness Act, the sales tax issue is also getting attention by many state governments as they consider additional streams for revenue generation.

**5. Employment Regulation:** The area of employment regulation promises to be an active one for the duration of the current administration. Two employment regulation topics of current interest are background checks and worker misclassification. In Spring 2012, the U.S. Equal Employment Opportunity Commission (EEOC) released [enforcement guidance](#) regarding the use of arrest and conviction records by employers when making employment decisions. Specifically, the guidance indicates that an employer's use of an individual's criminal history in making employment decisions may, in some instances, violate the prohibition against employment discrimination under Title VII of the Civil Rights Act of 1964, as amended. Additionally, in the area of worker misclassification, there continues to be an increase in enforcement efforts from and between the Internal Revenue Service (IRS) and the U.S. Department of Labor (DOL) with regard to the misclassification of workers as independent contractors.

For additional information on all of the items highlighted above, visit the Regulatory Updates section of the Paychex website by clicking [here](#).

## About Paychex

Paychex, Inc. (NASDAQ:PAYX) is a leading provider of payroll, human resource, and benefits outsourcing solutions for small- to medium-sized businesses. The company offers comprehensive payroll services, including payroll processing, payroll tax administration, and employee pay services, including direct deposit, check signing, and Readychex®. Human resource services include 401(k) plan recordkeeping, section 125 plans, a professional employer organization, time and attendance solutions, and other administrative services for business. A variety of business insurance products, including group health and workers' compensation, are made available through Paychex Insurance Agency, Inc. Paychex was founded in 1971. With headquarters in Rochester, New York, the company has more than 100 offices serving approximately 570,000 payroll clients as of May 31, 2013. For more information about Paychex and our products, visit [www.paychex.com](http://www.paychex.com).

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