

Current 2025 Claims Manual

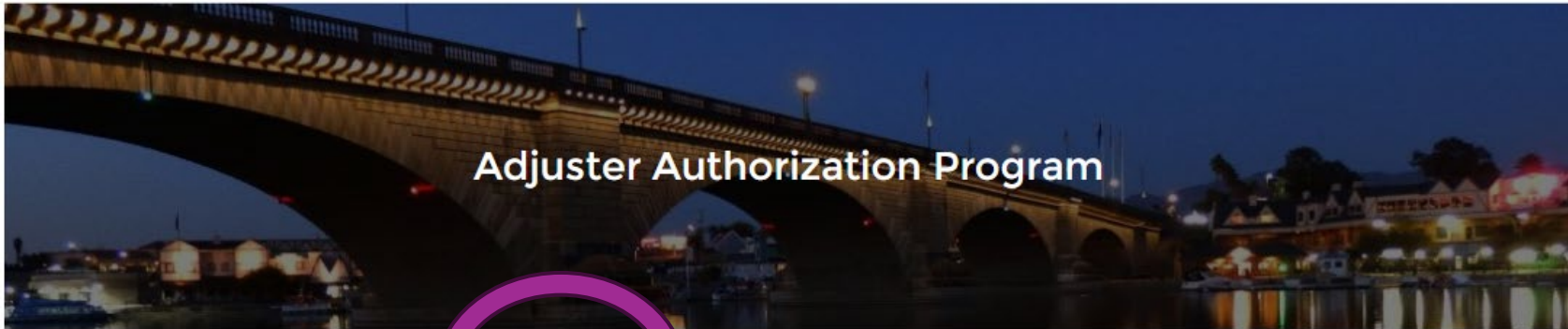
- Scan and Download the current
- 2025 ICA Claims Seminar Manual



ICA Mailing list

- Stay connected and find out What's New! Scan and Get registered for current news about the Industrial Commission of Arizona.





Program Information Internet Based Training **Class Registration**

To enroll in upcoming class webinar, click: Upcoming Classes below.

Technical Requirements

The ICA uses the Google Suite; and webinars are conducted with Google Meets. The transition to G Suite may require participants to have a Google Account. Before the registering for a class, please confirm with your IT department that you are able to:

- Achieve connectivity to our resources such as the Google Meet. Install or use Google Chrome as it is the preferred browser.

If you experience problems after the above steps have been completed, feel free to contact the Commission at the number and/or email toward the bottom of this page.



Adjuster Authorization?
Log into Community Account & Register in 'Class Registration'

Arizona Labor Department

Part One:
Payment of Wages



Payment of Wages

- Discussion items
 - Criteria to file a claim
 - Designation of paydays
 - Employment ends
 - Wage deductions
 - Investigation of wage claims

Criteria to file a claim

A wage claim can be filed through:

- Civil action in court for treble the amount owed

OR

- The Labor Department for the amount of unpaid wages
 - Not more than \$5,000.00
 - *SB1159 increased to \$12,000
 - Not more than 1 year ago

Criteria to file a claim

- A wage claim can be filed for hourly wages, salary, commission, vacation, PTO, mileage reimbursement, bonus, unauthorized deductions, etc.
- Claimant does NOT have the option to file anonymously

Criteria to file a claim

- When filing through the Labor Department
 - The claimant cannot be an independent contractor as defined by A.R.S. 23-1601(B).



Designation of paydays

- Employer shall designate fixed paydays
- At least 2 paydays per month
- Not more than 16 days apart



Designation of paydays



- Employees shall be paid by lawful currency of the United States
- Personal check, business check, money order, etc.

Designation of paydays



- Direct deposit (FDIC) with employee's written consent*
- Payroll card if employee does not consent to direct deposit*

* Written/electronic statement of employee's earnings & withholdings are required

Employment ends

- Involuntarily discharged
 - 7 working days or the end of the next regular pay period, whichever is sooner
- Voluntarily resigned
 - Regular payday for the pay period during which the resignation occurred. An employee may request to have the wages mailed.

Wage deductions

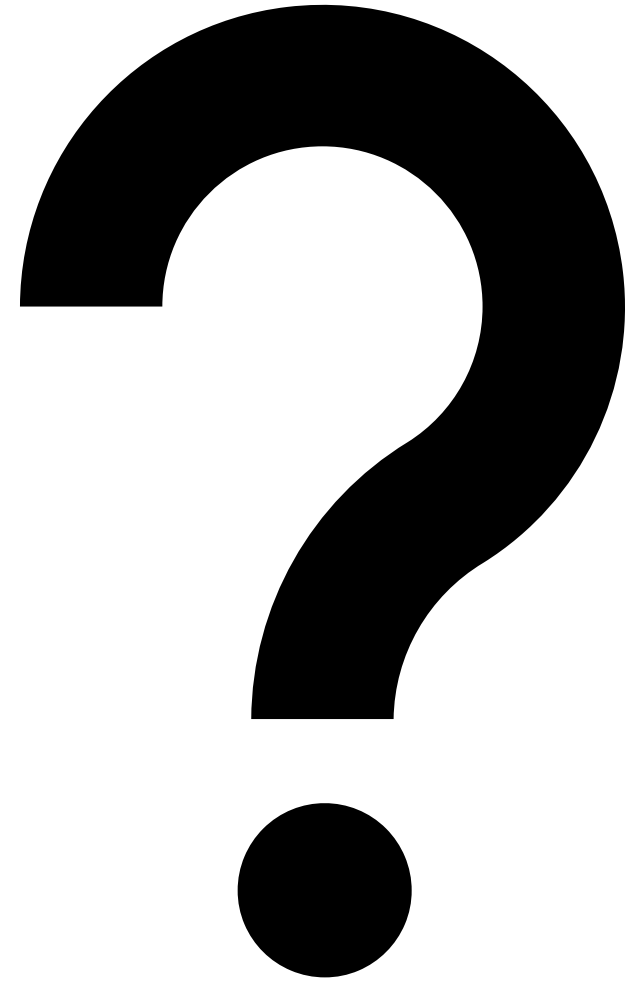
Unable to withhold/deduct unless one of the following applies:

1. Required or empowered to do so by state or federal law
2. Prior written authorization from the employee
3. Reasonable good faith dispute as to the wages due, including any counterclaim/debt, recoupment, etc.

Investigation of wage claim

- Claimant's claim & evidence is sent to the employer
- Employer's response & evidence is sent to the claimant
- Determination based on the evidence in the file
- Using the preponderance of evidence method to determine the agreed upon pay and/or rate
- If no appeal & no payment, judgment for 3x the amount

Questions about
Wage Payment?



Arizona Labor Department

Part Two:
The Fair Wages & Healthy
Families Act

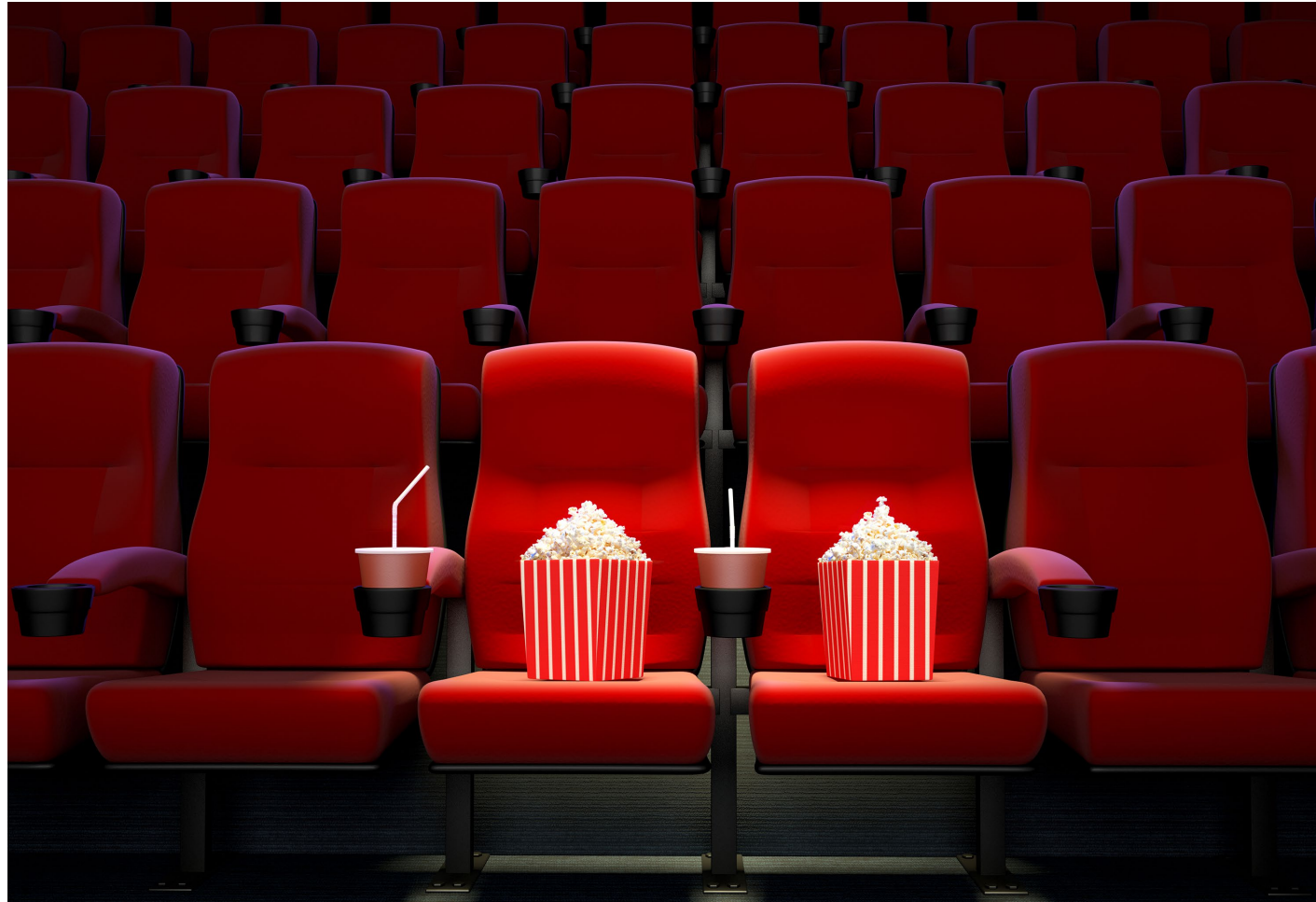


The Fair Wages & Healthy Families Act

Earned Paid Sick Time (EPST) & Minimum Wage (MW)

- Discussion items
 - Accrual and usage of EPST
 - MW calculation including tipped workers
 - MW small business exemption
 - Notice, posting, & recordkeeping requirements
 - Penalties of unpaid EPST/MW
 - Protections of exercising EPST/MW rights

Earned Paid Sick Time (EPST) & Minimum Wage (MW)



Accrual

- Employees shall accrue a MINIMUM of 1 EPSThour for every 30 hours worked
 - 15+ employees = Accrual up to 40 hours/year
 - Less than 15 employees = Accrual up to 24 hours/year

Accrual

- Employees accrue 3 EPSThours per bi-weekly pay period



80 hours worked = 2.66 EPSThours = Sufficient



95 hours worked = 3.16 EPSThours = Insufficient

Accrual

- Accrual upon commencement
- Can use EPST as it's accrued unless 90 day wait
- Unused EPST shall carryover to the following year*

Accrual

- An employer may “front-load” by providing all EPST expected to accrue in a year at the beginning of the year

Accrual

- Pursuant to A.R.S. 23-372(E), “Any employer with a paid leave policy, such as a paid time off policy, who makes available an amount of paid leave sufficient to meet the accrual requirements of this section that may be used for the same purposes and under the same conditions as earned paid sick time under this article is not required to provide additional paid sick time.”

Accrual

- An employer is not required to payout accrued, unused EPST upon separation from employment, which includes:
 - Termination
 - Resignation
 - Retirement
 - Other separation

Usage



Employees may use EPST in the following circumstances:

- Care for self or family member's mental or physical illness, injury or health condition; need for medical diagnosis, care, or treatment of a mental or physical illness, injury or health condition; need for preventive medical care;
- Closure of employee's place of business and/or child's school/place of care due to a public health emergency affecting the employee or a family member of the employee
- An absence due to domestic violence, sexual violence, abuse, or stalking, provided the absence is to seek medical attention, services, counseling, etc.

Usage

- EPST shall be provided upon the request of the employee; either orally, in writing, electronically, or by any means acceptable to the employer
- When the need for EPST is FORESEEABLE, the employee shall make a good faith effort to provide notice in advance and shall make a reasonable effort to schedule EPST in a manner that does not unduly disrupt the operations of the employer.

Usage

- When the need for EPST is NOT FORESEEABLE and employer requires notice, the employer MUST provide a written policy to employees containing procedures for the employee to provide notice
- If a written policy w/procedures was not provided to employees for unforeseeable absences, EPST may NOT be denied based on noncompliance with such policy

Usage



- An employer may require reasonable documentation to prove that EPST was used for permissible reasons when an employee uses EPST for 3+ CONSECUTIVE workdays.
- Employees are not required to search for a replacement worker

Usage

- EPST may overlap with worker's compensation
- An employee is able to use EPST for an injury on or off the job
- Worker's comp has no bearing on the EPST investigation/decision
- EPST requirements still apply "as is"

Usage

- The amount of EPST available, taken, and paid

Employee		SSN			
		Pay Period: 05/25/2024 - 06/07/2024		Pay Date: 06/14/2024	
Earnings and Hours		Hours	Rate	Current	YTD Amount
Maintenance		44:15	16.25	719.06	14,080.62
Sick Hourly Rate				0.00	520.00
Maintenance - OT				0.00	530.28
		44:15		719.06	15,130.90
Taxes				Current	YTD Amount
Medicare Employee Addl Tax				0.00	
Federal Withholding				-16.00	-906.00
Social Security Employee				-44.59	-938.12
Medicare Employee				-10.43	-219.40
AZ - Withholding				-3.60	-75.65
				-74.62	-2,139.17
Net Pay				644.44	12,991.73
Sick		Accrued	Used	Available	
Current		1:29	0:00	35.54	
YTD		3:55	32:00		

Calculation of minimum wage



- The AZ minimum wage is increased on January 1st of each year by the increase in the cost of living using the consumer price index

Currently \$14.70 for 2025

Calculation of minimum wage

- AZ minimum wage must be paid for all hours worked in a workweek, regardless of the frequency of pay AND regardless of the method of compensation (hourly, salaried, commission, piece rate)
- If the combined wages are less than the AZ minimum wage for a work week, the employer shall pay the difference

Calculation of minimum wage

- Employer shall advise employee of the designated 7-day workweek
- The workweek is the basis for determining an employee's hourly wage
- Only monetary compensation is included in calculating minimum wage

Calculation of minimum wage

Tipped Workers

- Employees who customarily & regularly receive tips can be paid up to \$3.00 per hour less than the AZ minimum wage

IF

- An employer's records prove that when adding tips & wages in each workweek, the employee received not less than the AZ minimum wage for all hours worked.

NOTE: To apply a tip credit, the employer shall provide written notice to employees PRIOR to exercising the tip credit

Small business exemption

- Must have less than \$500,000 in gross annual revenue
- AND
- Exempt from having to pay minimum wage under section 206(a) of title 29 of the United States Code
 - If engaged in commercial interstate commerce, employer is NOT exempt from paying minimum wage

Small business exemption

- Section 206(a) of title 29 of the United States Code
 - Commerce = commercial interstate interaction
 - Taking payments from out-of-state-customers
 - Processing payments that come from out-of-state banks/credit issuers
 - Using a telephone, fax machine, U.S. mail, or email to communicate with someone in another state
 - Driving or flying to another state for job duties
 - Loading, unloading, or using goods that were purchased & came from an out-of-state supplier

Written notice

- Employees are entitled to EPST and the amount of EPST
- The terms of its use guaranteed under the EPST law
- Retaliation for exercising protected EPST/MW rights are prohibited
- Each employee has the right to file an EPST/MW complaint
- Contact info for the Industrial Commission where questions about rights and responsibilities can be answered

Posting

- Employers are required to post notices in the workplace informing employees of their sick time and minimum wage rights



THE FAIR WAGES AND HEALTHY FAMILIES ACT

Effective January 1, 2025, Arizona's Minimum Wage

Is: **\$14.70** per hour

EXEMPTIONS:

The Fair Wages and Healthy Families Act (the "Act") does not apply to any person who is employed by a parent or a sibling; any person who is employed performing babysitting services in the employer's home on a casual basis; any person employed by the State of Arizona or the United States government; or any person employed in a small business that grosses less than \$500,000 in annual revenue, if that small business is exempt from having to pay a minimum wage under section 206(a) of title 29 of the United States Code.

TIPS AND GRATUITIES:

For any employee who customarily and regularly receives tips or gratuities, an employer may pay tipped employees a maximum of \$3.00 per hour less than the minimum wage if the employer can establish by its records that for each week, when adding tips received to wages paid, the employee received not less than the minimum wage for all hours worked. Certain other conditions must be met.



THE FAIR WAGES AND HEALTHY FAMILIES ACT

Earned Paid Sick Time

EXEMPTIONS:

The Fair Wages and Healthy Families Act (the "Act") does not apply to any person who is employed by a parent or a sibling; any person who is employed performing babysitting services in the employer's home on a casual basis; or any person employed by the State of Arizona or the United States government.

ENTITLEMENT AND AMOUNT:

Beginning July 1, 2017, employees are entitled to earned paid sick time and accrue a minimum of one hour of earned paid sick time for every 30 hours worked, subject to the following limitations:



- Employees whose employers have less than 15 employees may only accrue or use 24 hours of earned paid sick time per year.
- Employees whose employers have 15 or more employees may only accrue or use 40 hours of earned paid sick time per year.

Employers are permitted to select higher accrual and use limits.

TERMS OF USE:

Earned paid sick time may be used for the following purposes: (1) medical care or mental or physical illness, injury, or health condition; or (2) a public health emergency; and (3) absence due to domestic violence, sexual violence, abuse, or stalking. Employees may use earned paid sick time for themselves or for family members. See Arizona Revised Statutes § 23-373 for more information.

Recordkeeping

- Employers shall maintain records for 4 years, including:
 - Time records w/the daily starting & stopping time
 - Hours worked each day (tipped vs. non tipped position)
 - Wages and sick time paid to each employee
 - Additions or deductions to wages  
 - Any written agreement relied upon to calculate or determine sick time or minimum wage

Unpaid EPST/MW

~~3x~~ +

- Employee may be entitled to

Unpaid EPST/MW + 2x penalty + Interest

\$300.00 + \$600.00 + \$923.00

Civil penalties

- If the employer is not in compliance with any of the EPST/MW laws, the Department may assess a \$250.00 civil penalty for the 1st violation and \$1,000.00 for each subsequent or willful violation.

EPST/MW protections

- An employer cannot retaliate nor discriminate for exercising a protected EPST/MW right
- It is unlawful for an employer to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any protected EPST/MW rights

EPST/MW protections

- Employees exercising protected EPST/MW rights may include, but are not limited to:
 - Inquiring about EPST/MW
 - Informing others of their EPST/MW rights
 - Requesting and/or using EPST
 - Questioning their pay below MW
 - Filing an EPST/MW complaint
 - Participating in an EPST/MW investigation/hearing

EPST/MW protections

Retaliation is the denial of any right guaranteed under the AZ EPST/MW or any other adverse action against an employee for the exercise of any right guaranteed.

An adverse action can include, but is not limited to:

- Termination of employment
- Paid or unpaid suspension
- Reduction of scheduled/work hours
- Assessed attendance points
- Unfavorable job duties, location, schedule
- Demotion
- Threats
- Any other adverse action

EPST/MW protections

- Any employer who retaliates against an employee for exercising EPST/MW rights shall be required to pay the employee an amount set by the commission or court sufficient to compensate the employee & deter future violations, but not less than **\$150.00 for each day** that the violation continued or until legal judgment is final.

Questions about
the Fair Wages &
Healthy Families
Act?



Arizona Labor Department

Part Three:
Youth Labor



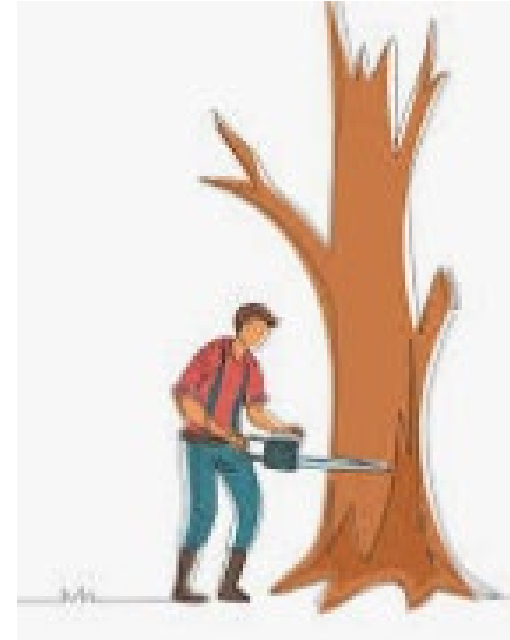
Youth Labor

- Discussion items
 - Prohibited employment of persons under 18
 - Prohibited employment of persons under 16
 - Permissible hours for those under 16
 - Exemptions for youths
 - Application for variation

Prohibited employment of persons under 18

Unable to work in, about, or in connection with:

- Manufacturing or storing explosives *
- Motor vehicle driver or outside helper*
- Mine or quarry occupations *
- Logging occupations *



Prohibited employment of persons under 18

Unable to work in, about, or in connection with:

- Exposure to radioactive substances*
- Slaughtering, meat packing, processing or rendering of meat*



Prohibited employment of persons under 18

Unable to work in, about, or in connection with:



- Power-driven woodworking machine*
- Power-driven hoist*
- Power-driven metal machine*
- Power-driven meat processing machine*

Prohibited employment of persons under 18

Unable to work in, about, or in connection with:

- Power-driven bakery machine*
- Power-driven paper products machine*

Prohibited employment of persons under 16

Unable to work in, about, or in connection with:

- Manufacturing*
- Processing*
- Warehousing*
- Construction*

Prohibited employment of persons under 16



Unable to work in, about, or in connection with:

- Commercial Laundering/dry cleaning*
- Boiler, furnace or engine rooms*
- Ladder or scaffold over 5ft in height*

Prohibited employment of persons under 16

Unable to work in, about, or in connection with:

- Cooking and baking*
- Power-driven food slicers, grinders*
- Specific activities in agriculture*



Permissible hours for those under 16

School in session

School not in session

NOT MORE THAN..

- 3 hours per day
- 18 hours per week
- After 9:30pm

- 8 hours per day
- 40 hours per week
- After 11:00pm

Exemptions for youths

- Employed by a family member/relative who owns at least 10% and is actively engaged in the daily operation*



Exemptions for youths

- Employed as stars or performers in motion picture, theatrical, radio or television productions IF the production company provides the information to the Labor Department before the beginning of production.

Exemptions for youths

- Involved in career educational programs
- Involved in vocational or technical training school programs *
- Employed as apprentices and registered w/United States DOL*
- Trained under either the 4-H federal extension service or the United States office of education vocational agriculture training programs *

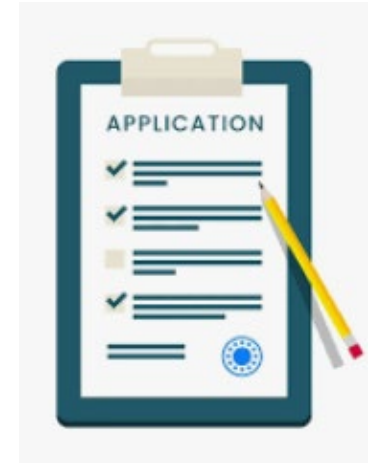
Exemptions for youths

- Married
- Emancipated*
- High school diploma
- Equivalent to high school diploma



Application for variation

- Request a variation, modification, or renewal of a variation
- Conduct an investigation & evaluation of jobsite/application
- If variation is granted, it will include any prescribed terms & conditions
- If variation is granted, a copy of the variation shall be kept at the youth's place of employment



Application for variation

- An application for variation may be denied on a subject, issue, or employer if a cease and desist order has been issued or an investigation is proceeding.
- If a variation is denied, the applicant may request a hearing by ICA

Questions about
Youth
Employment?



Arizona Labor Department

Thank you for your time!

