CalChamber Signs Ballot Argument for Open Primary

Two Candidates Open Primary Act on the June ballot.

The CalChamber Board of Directors voted to support the measure because members believe it will increase voter participation and empowers Californians in all state legislative districts to elect candidates who represent the broadest views in their district.

Joining Zaremberg in signing the pro-Proposition 14 ballot arguments are Jeannine English, California State President of the AARP, and James Earp, executive director of the California Alliance for Jobs.

Following is the text of the ballot arguments:

**Yes on Prop. 14 Ballot Argument**

Our economy is in crisis. Unemployment in California is over 12 percent.

The Legislature, whose members were all elected under the current rules, repeatedly fails to pass the state budget on time, or close the state’s gaping $20+ billion fiscal deficit.

See CalChamber: Page 7

Fast-Growing Coalition Opposing Independent Contractor Withholding

Spearheaded by the California Chamber of Commerce, the coalition **opposing** a proposal to require businesses to withhold 3 percent of payments to independent contractors is growing rapidly.

In just days after inviting CalChamber members via e-mail to sign onto the opposition coalition, the list of opposing organizations and companies more than quadrupled, topping 700 entities from throughout the state as **Alert** went to press.

Other business and industry associations also are actively participating in an intensive effort to educate legislators that independent contractor withholding will harm millions of companies and agencies, kill jobs and hurt the California economy.

**Onerous Mandate**

The coalition is warning that independent contractor withholding places a maximum burden on businesses for a minimal return. It will amount to an interest-free loan to the state from small businesses—an onerous, never-ending mandate that is a one-time money-grab.

It will not yield new revenue, but merely accelerate income tax payments already owed or bring in monies that will have to be refunded to businesses that don’t owe any income tax.

As **Alert** went to press, the Senate Budget Committee was poised to vote

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**Inside**

CalChamber Positions on June Propositions: Page 4
Payroll Name Change Should Await New Social Security Card

Sometimes an employee will decide to change his/her name for other reasons, which is legal to do in most cases. In California, a man or woman may legally adopt his or her new spouse’s last name without having to go through the court system. While it’s more common for a woman to take her husband’s last name, a man may take his wife’s last name as well without court approval. If the couple both choose to take an entirely new last name together, then a court procedure is required.

An employee who enters a domestic partnership may legally change his/her name when registering the domestic partnership with the California Secretary of State.

I-9 Employment Form

Do not update an employee’s I-9 Employment Eligibility Verification form based solely on a change of name. Section 3 of the I-9 (for “Updating and Reverification”) is completed only when:

- reverifying employment eligibility at the time an employment authorization document is expiring; or
- an employee is rehired within three years of when the form was originally completed.

You may want to attach a memo to the I-9 noting the employee’s new name to avoid confusion in case of an audit.

Social Security Administration

Your employee must notify the Social Security Administration (SSA) of a name change to ensure her earnings are properly recorded. According to the SSA, if an employee has not notified the SSA of the name change, then an employer should continue to use the old name for payroll and tell the employee to contact the SSA to obtain an updated card.

Using a new name before your employee updates SSA records may prevent the posting of earnings. Change your payroll records only when the employee obtains an updated Social Security card with the new name.

If an employee requests that you use a new name on other (non-payroll) employment documents, you may require documentation of the name change. Acceptable documentation could include a marriage certificate, domestic partnership certificate, divorce decree, court decree changing name, driver license or Social Security card reflecting the new name.

The Labor Law Helpline is a service to California Chamber of Commerce preferred and executive members. For expert explanations of labor laws and Cal/OSHA regulations, not legal counsel for specific situations, call (800) 348-2262 or submit your question at www.hrcalifornia.com.

CalChamber-Sponsored Seminars/Trade Shows

More information at www.calchamber.com/events.

International Trade


Tex-Styles India. India Trade Promotion Organisation. February 24–27, Pragati Maidan, New Delhi, India. info@textylesindia.com


CalAgX. Center for International Trade Development (CITD). March 9, Classes in Sacramento, Fresno and San Luis Obispo. (888) 638-7888.

Cairo International Fair. General

See CalChamber-Sponsored: Page 3
Growing Coalition of More than 700 Opposes Independent Contractor Withholding

From Page 1
on a budget package that included independent contractor withholding. The idea seems appealing to lawmakers who mistakenly believe it can help address the state’s chronic budget deficit.

Who Must Withhold?

Companies, non-profit organizations and local and state agencies all would be required to implement the withholding, the coalition is pointing out in a one-page fact sheet being circulated widely.

Who Will See Money Withheld?

Independent contractors are self-employed individuals and businesses, ranging from small businesses and entrepreneurs to large firms.

Examples of operations that will see money withheld from payments to them include: builders, painters, plumbers, real estate agents, insurance agents, computer programmers, accountants, automotive mechanics, attorneys, doctors and other health care providers, engineers, gardeners, janitors, security guards and entertainers.

As businesses, independent contractors pay more kinds of taxes than employees, such as self-employment taxes and local business taxes; pay income taxes throughout the year through quarterly estimated tax payments; and are subject to penalties for not paying or underpaying.

Because of recent budget agreements, independent contractors already must pay 70 percent of their taxes by June of each year for the next two years.

Threatens Small Business

In a year when the Governor and legislative leaders have indicated that “jobs, jobs, jobs” is a top priority, independent contractor withholding will destroy rather than create California jobs.

CalChamber opposition to independent contractor withholding is based on the following:

● Independent contractors already have a greater tax burden than employees;
● Withholding will wrongly force small businesses to loan money to the state, interest-free;
● Withholding could generate little if any new revenue for the state; and
● Withholding targets the wrong group of taxpayers—taxpayers who are already compliant. These taxpayers already are providing the state information it can use to target independent contractors who aren’t paying income taxes they owe.

CalChamber-Sponsored Seminars/Trade Shows

From Page 2
Organization for International Exhibitions and Fairs. March 11–22, Cairo, Egypt. info@cairofair.com.
Stonotech 2010. CCPIT Building Materials Sub-council. April 6–9, Shanghai, China. kontakt@merebo.de.
Asiawater 2010. AMB Exhibitions Sdn Bhd. April 6–9, Kuala Lumpur, Malaysia. kontakt@merebo.de.

Labor Law

Action Needed

The CalChamber is urging members to call or write their legislators to voice opposition to independent contractor withholding.

Business people can find a fact sheet and sample letter, or look up their legislators or legislators’ telephone numbers at www.calchambervotes.com.

To join the opposition coalition, e-mail laurie.lively@calchamber.com.
Staff Contact: Kyla Christoffersen
Secretary of State Assigns Ballot Numbers; Recap of CalChamber Positions for June 8

Propositions

The five propositions for the June 8 ballot are listed below with the California Chamber of Commerce positions:

- **Proposition 13: Bars property tax increases on construction for seismic retrofits** — Support
  
  By excluding seismic retrofits from property tax valuation, the measure provides a financial incentive for property owners to upgrade their unreinforced masonry structures for seismic safety.

- **Proposition 14: California Top Two Candidates Open Primary Act** — Support
  
  This proposed measure mirrors the development of the successful “open primary” election system that is in place in the state of Washington. This system allows the top two vote getters, regardless of party, to compete in the general election and has been validated by the U.S. Supreme Court.

- **Proposition 15: California Fair Elections Act of 2008** — Oppose
  
  If passed, Proposition 15 would institute a pilot program of publicly financed elections for the office of California Secretary of State. The publicly financed election would be funded by taxing lobbyists, lobbying firms and lobbyist employers. The measure is currently the subject of litigation. A similar measure in Vermont was ruled to violate the U.S. Constitution. An Arizona court also has struck down lobbyist “fees” used to fund a public campaign financing program.

- **Proposition 16: Taxpayers Right to Vote Act** — Support
  
  The act requires two-thirds voter approval before local governments may use public funds, bonds or other indebtedness to start up electric delivery service, expand electric delivery service into a new territory or implement a Community Choice Aggregation (CCA) program.

- **Proposition 17: Continuous Coverage Auto Insurance Discount Act** — Support
  
  This measure amends Proposition 103, passed by the voters in 1988, to authorize the use of an additional discount on premiums for automobile insurance policies. In particular, the act would allow an insurer to offer a “continuous coverage” discount to new customers who have maintained their coverage while they previously were customers of another insurer.

CalChamber Calendar

**International Luncheon Forum:**
February 22, Sacramento

**Water Committee:**
March 11, La Jolla

**Fundraising Committee:**
March 11, La Jolla

**Board of Directors:**
March 11–12, La Jolla

**International Trade Breakfast:**
March 12, La Jolla

**CalChamber PAC Workshop:**
March 19, Long Beach
Fortune Ranks 41 CalChamber Members on ‘100 Best Companies to Work For’ List

Forty-one members of the California Chamber of Commerce have been ranked among the “100 Best Companies to Work For” by Fortune magazine.

Companies nominate themselves by going through a detailed application process. Three hundred forty-three companies participated. Companies must be at least seven years old and have at least 1,000 employees to qualify.

Two-thirds of each company’s score relies on an employee survey sent to a random sample of employees from each company. The remaining third is based on Fortune’s audit, which includes detailed questions about pay and benefits, and open-ended questions on hiring, communication and diversity.

Best to Work For

The following CalChamber members made Fortune’s 2010 list of the “100 Best Companies to Work For.” Company headquarters are noted in parentheses.

- Accenture (New York, NY). Ranked 84. Management consultant adopted new Smart Work program to cut down on time employees spend at client sites. In addition, 36 offices have videoconferencing facilities.

- Alston & Bird (Atlanta, GA). Ranked 30. The law firm invites all employees—everyone from receptionists to shipping clerks to legal secretaries—to attend a monthly firm meeting marked by big pat on the back from First Lady Michelle Obama, who gave a speech urging employers to follow the lead of innovators like Bright Horizons. “We need to discuss quality on-site care, something that keeps us up at night,” she said.

- Brocade Communications Systems (San Jose, CA). Ranked 61. To avoid layoffs, this Silicon Valley equipment supplier shut down its plant for a total of 10 days last year, mandating two weeks of unpaid furlough for employees.

- CarMax (Richmond, VA). Ranked 56. Through its policy of no haggling and straight-talking, CarMax has become the nation’s largest seller of pre-owned cars.

- Cisco (San Jose, CA). Ranked 16. The Silicon Valley stalwart has become one of the nation’s largest providers of on-site child care with the opening of a second center; 800 children are enrolled, and parents at headquarters can track their kids via computer.

- Container Store (Coppell, TX). Ranked 36. Women play key roles at this storage and organizer retailer: 63 of 111 store managers, 12 of 14 vice presidents, and 30 of the 52 directors.

- Deloitte (New York, NY). Ranked 70. This firm has invested $300 million in Deloitte University, a 107-acre campus in Texas that opens in 2011 and will be the “symbolic heart” of the organization.

- DreamWorks Animation SKG (Glendale, CA). Ranked 6. Animators love the culture of collaboration and openness. The studio has spurred releases from two per year to five every two years.

- Ernst & Young (New York, NY). Ranked 44. Offers a traditional pension in addition to a 401(k). The firm is courting alumni via a new magazine, Connect.

- FedEx (Memphis, TN). Ranked 91. FedEx reinstated merit salary increases and half of the 401(k) match that was suspended a year ago amidst the economic slump; package deliverers laid off 1,000 salaried workers, less than 1 percent of the global workforce.

- Four Seasons Hotels (Toronto, Canada). Ranked 58. Now owned by Isadore Sharp, Bill Gates and Prince Alwaleed bin Talal, this chain offers benefits unusual in the field: automatic 401(k) contributions, 78 percent coverage of health insurance and free dental.

- General Mills (Minneapolis, MN). Ranked 90. Family-friendly benefits abound at this 143-year-old food purveyor (Cheerios, Yoplait, Progresso, Betty Crocker), where 800 employees are married to a co-worker. Infant-care center at headquarters was expanded by 43 percent last year to accommodate 60 infants; company subsidizes 25 percent of the cost.

- Gilbane (Providence, RI). Ranked 92. Fourth-generation Gilbannes run this construction company, and they give every new hire a laptop computer on their first day of work. They also bring all new hires to Providence headquarters for an orientation that includes a half-day class on the company’s traditions and values taught by President Bill Gilbane Jr.

- Google (Mountain View, CA). Ranked 4. The search engine king is hiring again: Google plans to add thousands of employees to its payroll in 2010. Although a few perks have been cut...
in recent years, Google last year increased 401(k) matching and added a stock-option exchange program to help employees with underwater options. Engineers still get to devote 20 percent of their time to projects of their choosing.

- **Intel (Santa Clara, CA). Ranked 98.** Employees feel proud to work at the world’s largest semiconductor-chip maker. One engineer said, “We are undoubtedly changing society and the world. It is a magnificent feeling to be a cog in such an important machine.” Last year, 6,000 employees took advantage of the most generous sabbatical program in American business: eight paid weeks every seven years.

- **Intuit (Mountain View, CA). Ranked 94.** This firm known for financial software has an innovative work-life balance: $650 match of contributions to pre-tax dependent-care accounts, ability to telecommute, and a $65 daily subsidy for in-home care when child is sick or school is closed.

- **J.M. Smucker (Orrville, OH). Ranked 47.** Smucker family members still run the show. New hires get a gift basket sent to their homes; employees enjoy softball games and bowling nights.

- **Kimley-Horn (Cary, NC). Ranked 62.** Hit hard by the recession, engineering consultant laid off 455 staff members. Firm softened the impact with relocations and an innovative cost-cutting plan linked to community service.

- **KPMG (New York, NY). Ranked 88.** This audit firm introduced a sabbatical program allowing employees to take leaves of four to 12 weeks at 20 percent of pay. Some 450 employees immediately signed up for it. Employees average 25 paid days off.

- **Marriott International (Bethesda, MD). Ranked 82.** CEO Bill Marriott’s annual letter to associates is distributed in 28 languages to its diverse workforce. In the United States, 60 percent of associates are non-white.

- **Mattel (El Segundo, CA). Ranked 78.** The world’s largest toy company celebrates a lot, including milk-and-cookie socials, potluck breakfasts, volunteering days and summer picnics.

- **McCormick and Company (Sparks, MD). Ranked 72.** Some 24 percent of the workforce has been at the spice maker for more than 20 years.

Fourteen “junior boards of directors” give employees at all levels input into decision-making.

- **Mercedes-Benz USA (Montvale, NJ). Ranked 49.** Sales and marketing arm of the German automaker prides itself on a culture of openness. The company’s new blog, **MB Community**, lets employees share ideas for change.

- **Microsoft (Redmond, WA).**

  - **Ranked 51.** Thousands of “Softies” worldwide hosted parties to celebrate the launch of the company’s new operating system, Windows 7. Developers average $106,000 salary.

- **Nordstrom (Seattle, WA). Ranked 53.** Retailer survived the recession with zero layoffs. Employee entrances carry signs like this: through these doors pass the world’s most courteous people.

- **NuStar Energy (San Antonio, TX). Ranked 21.** Publicly traded partnership showers employees with benefits like no-cost health insurance for them and their families and an old-fashioned pension plan while adhering to a no-layoff policy. Full-time turnover rate is just 3 percent.

- **Orrick Herrington & Sutcliffe (San Francisco, CA). Ranked 95.** Recession prompted law firm to ask incoming associates to defer their entry until fall 2010 and offer to place them in legal jobs at non-profits and government agencies, paying them an honorarium of $60,000 and a $15,000 bar stipend. Forty-three incoming lawyers (56 percent of the class) agreed to the deferment.

- **Paychex (Rochester, NY). Ranked 54.** Payroll provider restocked its vending machines with healthy snacks and nuts, and employees get checks ranging from $100 to $300 for trying to get fit.

- **PCL Construction Enterprises (Denver, CO). Ranked 31.** General contractor offers unique benefits: unlimited paid sick time (for employees or their ill children and spouses), a $200 reimbursement for employee enrollment in an exercise plan or health club membership, company-paid life insurance up to four times salary and stock ownership for all salaried employees.

- **PricewaterhouseCoopers (New York, NY). Ranked 71.** Accounting firm had minor layoffs (less than 1 percent of the staff), canceled 2008 year-end holiday parties and gave two extra paid holidays to employees.

- **Qualcomm (San Diego, CA). Ranked 9.** Wireless pioneer works hard to provide an environment where “good people can do their best work.” Some elements: stock options on hire, baseball games, surfing lessons, kayaking tours, white-water rafting, bonfires, bowling and volunteering opportunities.

- **S.C. Johnson & Son (Racine, WI). Ranked 83.** For the first time in 92 years, no profit-sharing checks were issued, but the household-products maker was able to stick to its 123-year-old no-layoff policy.

- **Scripps Health (San Diego, CA).**

  - **Ranked 40.** The Southern California hospital system matches employee contributions to retirement plans dollar for dollar up to 6 percent of pay—and adds another contribution of 1 percent of pay on top of the match. For employees with more than 20 years of tenure — they number more than 1,200—the match is two for one.

- **Starbucks (Seattle, WA). Ranked 93.** Employees are called “partners,” but there are 30,000 fewer worldwide than last year because of store closings and other cutbacks. Still, baristas say they love working at Starbucks because of the camaraderie—and part timers, who make up nearly 90 percent of the workforce, are grateful for the health insurance benefits. More than 150,000 people applied for jobs here last year.

- **Umpqua Bank (Portland, OR).**

  - **Ranked 23.** Chain with a small-town feel has ballooned in 15 years from six branches and $150 million in assets to 154 “stores” (in Oregon, California and Washington) and $9 billion in assets.

- **USAA (San Antonio, TX).**

  - **Ranked 45.** Financial group that offers services to the military and their families boasts top-of-the-line benefits such as a 401(k) match of up to 8 percent of pay and performance bonuses of up to 18 percent of pay.

- **Whole Foods Market (Austin, TX). Ranked 18.** Attacked from the right (too elitist, too New Age) and the left (too pricey, too anti-union), the grocery chain added 14 new stores in 2009, attracting a workforce that is young and idealistic. Salary cap limits top earner to 19 times the average hourly wage of $16.98. CEO John Mackey draws a salary of $1 a year.
**Inc. Magazine Seeks Applicants for Fastest-Growing Company List**

*Inc.* magazine is seeking applicants for its annual list of the 500/5000 fastest-growing companies in America.

The *Inc.* 500/5000 ranks companies by overall revenue growth over a three-year period, bringing national and local acclaim to honorees.

Each company honored will be profiled on *inc.com* and the top 500 companies will be featured in the September issue of *Inc.* magazine. *Inc.* describes winning the award as a distinct honor that can be celebrated by employees and promoted to potential customers, partners and members of the media.

**Interim Awards**

Companies that have grown at all between 2006 and 2009 should apply. The **deadline is Friday, April 30, 2010**.

If a company applies early, it will be eligible for all monthly *Inc.* drawings for conference registrations and may even be the “Applicant of the Week”—which is rewarded with an *Inc.* profile.

To apply for the *Inc.* 500/5000, use the link at [www.calchamber.com/inc500](http://www.calchamber.com/inc500), or for more information call (800) 248-0308.

**Small Business Advocate Award Nomination Form Available**

The California Chamber of Commerce has opened nominations for its Small Business Advocate of the Year Award.

Nominees should have contributed significantly as an advocate for small business by being involved in such activities as taking leadership roles in or working on state or local ballot measures, testifying before the state Legislature, representing a local chamber of commerce before local government, and being actively involved on federal legislation.

**Deadline: April 2**

Award nominations are due to the CalChamber Local Chamber Department by April 2. The CalChamber will recognize award winners at its Business Summit on May 17 in Sacramento.

The nomination form and criteria are available at [www.calchambervotes.com](http://www.calchambervotes.com) or may be requested from the Local Chamber Department at (916) 444-6670.

**CalChamber Signs Ballot Argument for Proposition 14: Open Primary**

- Proposition 14 will open up primary elections. You will be able to vote for any candidate you wish for state and congressional offices, regardless of political party preference. It will reduce the gridlock by electing the best candidates.
- Proposition 14 will give independent voters an equal voice in primary elections.
- Proposition 14 will help elect more practical office-holders who are more open to compromise. “The best part of the open primary is that it would lessen the influence of the major parties, which are now under control of the special interests.” *(Fresno Bee, 2/22/09.)*

**From Page 1**

Our state government is broken.

But the politicians would rather stick to their rigid partisan positions and appease the special interests than work together to solve California’s problems.

In order to change government we need to change the kind of people we send to the Capitol to represent us.

**IT’S TIME TO END THE BICKERING AND GRIDLOCK AND FIX THE SYSTEM.**

The politicians won’t do it, but **Proposition 14 will.**

Proposition 14 will push our elected officials to begin working together for the common good.

Join AARP, the California Alliance for Jobs, the California Chamber of Commerce and many Democrats, Republicans, and independent voters who want to fix our broken government. Vote YES on Proposition 14.

Vote Yes on 14 — for elected representatives who are LESS PARTISAN and MORE PRACTICAL.

**Next Alert:**

February 26
Don't let harassment hurt your company. Train with the best resources available.

Your company’s harassment liability may be on the rise. Last year, new claims were filed at a rate of almost two per hour nationwide. And California companies are held to the strictest laws, including mandatory harassment prevention training and retraining for supervisors. Our NEWLY updated online course can help you curb your risk. New features include:

- New, realistic video scenarios based on feedback from managers like you
- New controls that allow users to take the required two hours at their own pace, and choose between video and text displays
- New interactive “drag and drop” quizzes that ensure learners remember the material

Get a See’s Candies® gift certificate with your purchase of $100 or more in harassment prevention training. Offer expires 3/19/10. Use priority code HTS2 when ordering.

Order online at www.calbizcentral.com or call 1-800-331-8877