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Key Legislative Developments Affecting Your Human Resources

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State of the Union Sets Tone for 2016

President Obama delivered his eighth and final [State of the Union address](#) to Congress and the nation last week. His speech, focused on his vision to protect Americans and improve the workings of government, touched on several employment-related matters without outlining specific proposals.

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Employment

“Equal pay for equal work, paid leave, [and] raising the minimum wage” — President Obama stated clearly these three initiatives are on his agenda this year. He noted his intentions to push for progress on these topics as he believes they are important to employees and their families.

With respect to unions, the president indicated his support for them, noting that “middle-class families are not going to feel more secure because we allowed attacks on collective bargaining to go unanswered.” For workers generally, the president indicated his support for working families, remarking that they “won’t get more opportunity or better paychecks” unless the rules are more fair and balanced, rather than being tilted in favor of big businesses. Turning to Speaker Paul Ryan (R-WI), the president mentioned that he “welcome[s] a serious discussion about strategies we can all support, like expanding tax cuts for low-income workers without kids.”

Finally, as a lead-in to his comment that workers and small businesses should have “more of a voice,” the president noted the need to change “outdated regulations” and to cut “red tape.” Perhaps his comments were meant to make clear that he would not support any congressional efforts to interfere with implementation of the DOL’s overtime or fiduciary regulations.

Health Care

The president’s references to health care left little doubt that any action by Congress to repeal or dismantle the Affordable Care Act (ACA) will be met with his continued resistance. Indeed, President Obama noted with great frankness that “we won’t agree on health care anytime soon.” The president also mentioned that the ACA’s successes include an increase in health care coverage (new coverage for nearly 18 million)

Republican Response

Governor Nikki Haley (R-SC) delivered the official Republican [response](#) to President Obama’s speech. Consistent with statements previously made by Speaker Paul Ryan (R-WI), Gov. Haley referred to the ACA as a “disastrous health care program” and reiterated the party’s goal to repeal and replace it.

and slowing of health care inflation. He also noted the ACA's importance of "filling the gaps in employer-based care" by providing access to coverage for those individuals who "lose a job, or go back to school, or start that new business." Finally, in addition to outlining his desire to provide the National Institutes of Health with additional resources to cure cancer, he stated with conviction that steps should be taken to strengthen Medicare.

Retirement Savings

As in his 2015 State of the Union address, the president recognized the challenges American workers face in saving for retirement. He stated that a worker who changes jobs "should still be able to save for retirement and take his savings with him," highlighting the importance of portability. The president made this statement in the context of job loss and his vision for "a system of wage insurance" that goes beyond unemployment compensation.

Looking Ahead

During his final year in office, President Obama will likely seek to further his goals for economic and national security and defend the ACA. Likewise, in an effort to ensure that his vision for the nation's future will be fulfilled, we can expect the president to support members of his party who are seeking to be elected, or re-elected, during the upcoming elections in November 2016.

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