

Southwest Montana SHRM

Affiliate of the Society for Human Resource Management

Chartered in Bozeman, MT



LEGISLATIVE UPDATE

JUNE 2025 UPDATE



Grover Wallace – Southwest MT &
Montana State Legislative Director

Southwest Montana SHRM MISSION:

To connect and inspire members to create a collaborative environment for people to do their best work

Senate Unanimously Passes ‘No Tax on Tips Act’

On May 20, the Senate unanimously passed the No Tax on Tips Act, which would eliminate federal income tax on cash tips for qualified employees in traditionally tipped occupations, such as servers and bartenders. If enacted, employees earning under \$160,000 in 2025 could deduct up to \$25,000 in tips from their taxable income. HR professionals in the hospitality industry should prepare for potential changes in payroll processing and employee compensation structures.

SHRM LINK ARTICLE: [Senate Unanimously Passes ‘No Tax on Tips Act’](#)

Supreme Court Halts Reinstatement of Wilcox and Harris for Now

On May 22, the Supreme Court granted the federal government’s application for a stay, effectively blocking a lower court order that had permitted two former board officials to remain in their positions during ongoing litigation.

President Donald Trump removed Gwynne Wilcox from her seat on the National Labor Relations Board (NLRB) on Jan. 27, despite her term being set to continue through August 2028. Wilcox then filed suit, alleging that her dismissal was unlawful. Similarly, on Feb. 10, Trump dismissed Cathy Harris as a member of the Merit Systems Protection Board (MSPB). Harris also challenged her removal in court.

While the court did not rule on the ultimate merits of the case — specifically, whether the NLRB and MSPB posts fall under those “narrow exceptions” — it noted that “the stay reflects our judgment that the Government is likely to show that both the NLRB and MSPB exercise considerable executive power.”

SHRM LINK ARTICLE: [Supreme Court Halts Reinstatement of Wilcox and Harris for Now](#)

2024 EEO-1 Data Collection Now Open

The U.S. Equal Employment Opportunity Commission (EEOC) has officially opened the 2024 EEO-1 Component 1 data collection. The collection period began on Tuesday, May 20, and the deadline for filing is Tuesday, June 24.

The EEO-1 Component 1 report is a mandatory requirement for private employers with 100 or more employees, as well as certain federal contractors meeting lower employee thresholds. Submission of this data is a legal obligation, not a voluntary process.

As part of EEOC acting Chair Andrea Lucas' efforts to streamline operations and reduce costs, the collection window will be shorter this year and will close on the published due date — June 24 — with no extensions. Additionally, starting with the 2024 collection, all communications to filers will be sent electronically. No postal mail notifications will be issued.

SHRM LINK ARTICLE: [2024 EEO-1 Data Collection Now Open](#)

MONTANA STATE LEGISLATIVE SESSION

MT HB 226 THE LEGAL EMPLOYMENT AND GOVERNMENT ACCOUNTABILITY LAW

Effective July 1 2025

Bill Summary

Overview:

House Bill 226 (HB 226) aims to establish a legal framework for employment and enhance government accountability in Montana. This legislation aims to ensure that employers in Montana hire only legally authorized workers to work in the United States, promoting fair competition and legal employment practices.

Considerations for Employers:

- **Verification Requirements:** Employers must verify the legal employment status of all employees before they begin work, using either the E-Verify program or Form I-9.
- **Record Retention:** Employers must retain Form I-9 for three years after the date of hire or one year after employment ends, whichever is later.
- **Penalties for Non-Compliance:** Fines range from \$500 to \$2,500 per unverified employee, with potential license suspension for repeat violations.
- **Inspection and Audits:** The Department of Labor and Industry can audit employers' records and issue subpoenas to ensure compliance.

MONTANA WEB SITE BILL: https://bills.legmt.gov/#/laws/bill/2/LC1663?open_tab=bill

UPCOMING CALENDAR EVENTS:



When Worlds Collide: HR, Compliance, and Worker Protections

JUNE 10, NOON ET / 9 A.M. PT
Free | Sponsor: Navex Global

Navigating Leave Laws: FMLA, ADA, and More

JUNE 10, 2 P.M. ET / 11 A.M. PT
Free | Sponsor: Paylocity

THANK YOU