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Issue Twenty

## Did You Know?



The CDC has a new campaign that provides easy and low-cost steps to stop many infectious diseases:

- Clean your hands often. Keeping your hands clean is one of the best ways to keep from getting sick and spreading illnesses.
- Routinely clean and disinfect surfaces. Cleaning with soap, water, and scrubbing *removes* dirt and most germs. Using a disinfectant cleaner *kills* germs, giving even better protection.
- Handle and prepare food safely. Clean hands and surfaces often. Cool foods to proper temperatures. Refrigerate foods promptly. Don't cross-contaminate foods.

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## BLOG CORNER: Communicate Critical Numbers In Your Business

Stay connected  
to Four Point HR.  
Post a response  
on this topic and  
others to our  
blog at  
[fourpointhr.com/peo](http://fourpointhr.com/peo)

### WINNER ANNOUNCEMENT!

The winner of the August  
newsletter subscriber  
drawings for the \$25  
Starbucks card is Kevin  
George.

In addition to providing our  
community with an email  
newsletter that is packed  
with employment-related  
feature articles, tips,  
updates, resources and  
legislation, Four Point HR  
thinks our email newsletter  
subscribers with the chance  
to win coffee on us.

Many of us have watched our top line numbers drop over the last year. Hopefully, this process has leveled in your business and is starting to show some signs of improvement. When things get tough, we have a tendency to keep information close to the vest for fear of causing panic inside our organizations. If you have communicated important business related numbers in the past and have gotten away from it since the downturn, you should consider making the important numbers about your business available to your staff.

You don't have to divulge profit numbers or detailed P&L's to your staff, but you know the metrics that are critical to the success of your business. If you are a daycare center, it is probably child count, new child enrollment, etc. If you are an assisted living center, it is more like resident count and new resident growth. Regardless of what they figures, choose a couple on the revenue side and a couple on the expense side and communicate these to your staff. Set goals and targets for these numbers and encourage your staff to help reach them through their daily work and through their recommendations.

This process will create a more team-oriented environment and help relieve some stress from your management's shoulders.



# Heat Stress

High temperatures and humidity stress the body's ability to cool itself, and heat illness becomes a special concern during hot weather. There are three major forms of heat illnesses: **heat cramps**, **heat exhaustion**, and **heat stroke** -- a life threatening condition.

## Heat Cramps

Heat cramps are muscle spasms, which usually affect the arms, legs, or stomach. Frequently they don't occur until sometime later after work, at night, or when relaxing. To prevent them, drink lots of water or electrolyte solutions such as Gatorade during the day and try eating more fruits like bananas.

## Heat Exhaustion

Heat exhaustion is more serious than heat cramps. It occurs when the body's internal air-conditioning system is overworked, but hasn't completely shut down. In heat exhaustion, the surface blood vessels and capillaries, which originally enlarged to cool the blood, collapse from loss of body fluids and necessary minerals. This happens when you don't drink enough fluids to replace what you're sweating away.

## Heat Stroke

Heat stroke is a life threatening illness with a high death rate. It occurs when the body has depleted its supply of water and salt, and the victim's body temperature rises to deadly levels. A heat stroke victim may first suffer heat cramps and/or heat exhaustion before progressing into the heat stroke stage, but this is not always the case. It should be noted that, on the job, heat stroke is sometimes mistaken for a heart attack. It is therefore very important to recognize the signs and symptoms of heat stroke - and to check for them anytime an employee collapses while working in a hot environment.

**Anyone can suffer a heat illness, but by taking a few simple precautions, they can be prevented:**

- Condition yourself for working in hot environments - start slowly then build up to more physical work. Allow your body to adjust over a few days.
- Drink lots of liquids. Don't wait until you're thirsty. By then, there's a good chance you're already on your way to being dehydrated. Electrolyte drinks are good for replacing both water and minerals lost through sweating. Never drink alcohol, and avoid caffeinated beverages like coffee and soft drinks.
- Take a break if you notice you're getting a headache or you start feeling overheated. Cool off for a few minutes before going back to work.
- Wear lightweight, light colored clothing when working out in the sun.
- Take advantage of fans and air-conditioners.
- Get enough sleep at night.

**With a little caution and common sense, you can avoid heat illnesses.**



# Homebuyer Credit Closing Deadline Extended

Those eligible taxpayers who have contracted to buy a home and qualified for the first-time homebuyer credit before the end of April 2010 now have until the end of September 2010 to close the mortgage.

For those homebuyers who qualify for the Homebuyer Assistance and Improvement Act of 2010 should know that there are special filing and documentation requirements necessary to receive the credit. In order to receive the credit, eligible homebuyers must include the following with their tax return:

1. Completed Form 5405
2. A copy of the settlement statement with all related parties' names and signatures, property address, sales price and date of purchase
3. If the homebuyer is purchasing a mobile home and unable to get settlement statement, then they must provide a copy of the executed retail sales contract showing all parties' names and signatures, property address, purchase price and date of purchase
4. For any newly constructed home where a settlement statement is not available, the homebuyer must provide a copy of the certificate of occupancy

In addition to providing a tax credit to first-time homebuyers, the law allows a long-time resident of the same main home to claim the credit if they purchase a new principal home. To qualify, the taxpayers must show that they have lived in their old home for five consecutive years before purchasing the new home. To claim this credit, the following documentation covering the five consecutive year period must be provided:

1. Form 1098 --Mortgage Interest Statement
2. Property tax records
3. Homeowner's insurance records.

There are 3 options to claim the credit:

1. If the 2009 return has not been filed, send the necessary documentation with the return
2. If the 2009 return has already been filed, claim the credit on an amended return using Form 1040X
3. Whether or not the 2009 return has been file, the credit may be claimed on a 2010 form 1040.



# PAYROLL CORNER – Points of Interest

## **WITHHOLDING**

Now is a perfect time to check your Federal and State tax withholdings. Consider whether the desired end result is for a refund or to break even. If this is an option for you, but you are uncertain as to what needs to be changed, contact your Accountant or the person who prepares your annual tax filing. To adjust your taxes, if applicable, complete a new Federal W-4 form, or the appropriate State form, with your changes and submit it to your payroll processor. Don't forget, these forms need to be completed in their entirety to be entered into the system.

## **DEDUCTION AUTHORIZATION FORM**

Four Point HR has updated the "Authorization for Deduction" form. Enhancements were made to provide a clearer outline of information required for each deduction submitted for your employees. Deductions cannot be made without a signed form. It should also be noted that the full amount of the deductions might not be taken from an employee's pay if it will bring them below the Federal Minimum Wage of \$7.25 an hour. Contact your Payroll Processor for guidance, if needed. Clients are now able to access the updated form online through the Client Service Center.

## **SUMMER DAY CARE EXPENSES**

Were you aware that your summer day care expenses might qualify for a tax credit? The expense of placing your child, under the age of 13, in day care could allow this credit through "The Child and Dependent Care Credit". The IRS offers the following guidance:

- The cost of day camp may count as an expense towards the credit.
- Expenses for overnight camps do not qualify
- If you utilize a sitter in your home, you will receive some tax benefit if you qualify for the credit.
- The credit can be up to 35 percent of your qualifying expenses, depending on your income.
- You may use up to \$3,000 of the unreimbursed expenses paid in a year for one qualifying individual or \$6,000 for two or more qualifying individuals to figure the credit.

IRS Publication 503 lists the criteria for qualification. One stipulates that you – and your spouse if filing jointly – earned income during the year. Another provides that the child and dependant care expenses be incurred in the course of looking for work. You can find IRS Publication 503 online and you might also wish to speak with your tax advisor.



# New Hire Paperwork

Keeping track of and completing paperwork can be a burden for business owners. Due to Government compliance, new hire paperwork is particularly time consuming and is one of the responsibilities that Four Point HR assumes for our clients.

## Data Packet

The Department of Labor requires that employers retain for all employees. It is important that both the employee and employer complete both the employee and employer information requested on the first data packet page. If employee biographical information, pay rates, positions, or dates of hire are not complete, Four Point HR cannot enter employees into the payroll system.

## Employee Withholding Allowance Certificates

Although the entire Federal Employee Withholding Allowance Form (W-4) is retained in an employee's records, the top portion of the 2010 form is a simple employee worksheet that cannot be used for payroll purposes. The bottom section of the W-4 (lines 3, 5 and 6 or 7, if extra withholding exempt) is the only portion of the form an employer can use for calculating payroll withholding taxes.

Not every state has an Employee Withholding Certificate but, for states that do, the same rules that apply for federal taxes apply to state taxes. A portion of the form may contain an employee worksheet that cannot be used for withholding taxes by the employer. For example, on Georgia's G-4 form, only the lines below the employee's worksheet (lines 7 and 8) can be used for payroll purposes.

As a reminder, all tax forms must contain the taxed employee's signature. Four Point HR must default an employee's withholding allowances to "single status" with "0 dependents" if an employee's tax forms are incomplete.

## USCIS Employment Eligibility Form I-9\*

Hiring employees without complying with employment eligibility verification requirements is a violation of employer sanctions laws. The I-9 must be completed by all new hires within the first three days of work. However, Four Point HR requires all completed paperwork before the employee begins their first day of work to ensure coverage of Workers Compensation. It is the responsibility of an employer to ensure that section one and section two of the I-9 are completed within the specified timeframe. Section one contains employee biographical information and requires a signature from the employee. Section two requires a reviewer to list information from a new employee's identity/work authorization documents, identify the employee's first day of work and acknowledge the review through a signature. Failure to comply with I-9 requirements can result in civil penalties between \$110 and \$1,100 per violation. If you have any questions regarding the I-9 please contact Four Point HR or visit the USCIS website at [www.uscis.gov](http://www.uscis.gov). Please note that Four Point HR cannot enter a new employee into the payroll system until the I-9 paperwork is completed.

\*Only specialized employee groups do not require completed I-9's: Domestic workers hired for intermittent work in a private home, independent contractors, employees not physically working on U. S. soil, continuously working persons hired before November 7, 1986, and employees contracted through a temporary or leasing agency.