



December 2010

620 Peachtree St NE  
Suite 311  
Atlanta, GA 30308  
**FourPointHR.com**  
Phone: 404.898.0788  
Fax: 404.898.0388

Issue Twenty-Four



## IN THIS ISSUE

Blog Corner: Reduce Turnover Through Constant Communication

Improved Newsletter Format

Communicating Effectively With Employees

Payroll Corner

Flexible Spending For 2011

Year End Checklist

Reduce Tax Time Stress – Collect Tax Records Now

Holiday Season Workplace Safety

Employee Benefits In A Post-Recession Economy

## Did You Know?



When eating lunch out, choose meals that contain a balance of lean proteins (like fish, chicken, or beans if you're a vegetarian), fruits and vegetables (fries and potato chips don't qualify as veggies!), and whole-grains (like whole wheat bread and brown rice). That's why a turkey sandwich on whole wheat with lettuce and tomato is a better choice than a cheeseburger on a white bun.



## BLOG CORNER: Reduce Turnover Through Constant Communication

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).

Build upon your early communication by reinforcing it on a regular basis. There are many schools of thought that pertain to how often you should communicate with your direct reports. I believe you should spend time one on one time with your people weekly on an informal basis to discuss normal business details. You should have a monthly one on one meeting to allow the employee to spend an hour of uninterrupted time with you to discuss important issues, challenges and successes of the last month of their work. Quarterly you should conduct formal reviews to highlight problematic performance, clearly define expected improvement, and complement quality performance.

Finally, and most importantly, do not put off or beat around the bush in conversations that deal with employee performance. Take a caring but upfront tone with your employees. You want to make sure that you maintain a respectable demeanor, be just as quick to complement as critique, and be consistent in the process with all employees.

## IMPROVED NEWSLETTER FORMAT

In response to feedback from our subscribers, we are changing the format of our monthly newsletter. Beginning in JANUARY, the content will appear in the body of the email, rather than in a PDF attachment. There will be nothing to download and smaller email file sizes. Links from the newsletter will refer readers to our site and the content will now be accessible via mobile devices.



# Communicating Effectively With Employees

Communicating effectively with your employees is the basis of who you are as a manager and leader of your company. It is imperative for the success of your business that you keep the lines of communication open in order to exchange ideas, to share information, and to be clear on the company's mission and goals. This communication helps your employees to understand expectations and to improve the work relationships.

Here are some simple ways to effectively communicate with staff:

- Evaluate your current emotional state – The way you feel will show in your communication. If you are tired, upset, angry, or depressed it will show. Take the time to calm your emotions before communicating with your employees. Your tone of voice and gestures are part of the message you are delivering.
- Keep it simple – Keep everything easy to understand. Important messages get across more effectively with simple wording.
- Start with the positive – Starting positive will relax the employees and therefore your message will be well received and make the most impact.
- Pay attention – It's very important when you communicate with your employees you give them your full attention. Communicate with them face to face and always make direct eye contact. Make sure you are in a place where email, telephone calls, or other colleagues will not interrupt you. Interruptions and distractions can communicate to employees that you don't have time for them and their concerns.
- Acknowledge when you make a mistake – Apologizing when you as a leader have made a mistake or misunderstood a situation is not a sign of weakness. If you want your employees to admit mistakes then you also must admit your mistakes. This will gain your employees respect and trust.
- Verify comprehension of the message – Ask questions to make sure the employee understands the message you are expressing. Ask the employee to verbalize in his or her own words the point you are making.
- Have regular meetings – Arrange regular meetings with your employees to keep them informed on new and continuing development with the company. Give your employees an opportunity to provide input on new company ventures and to offer suggestions on improvements. This will ensure the employees they are a large part of the company's success and their input is an important part of that success.
- Learn to Listen – Being a good listener is the first step to being an effective communicator. Active listening will assure you of the full understanding of your employees' ideas or work related problems. Don't assume that you know what they are saying before they finish.
- Follow up – Following up after speaking with your employees confirms the content of the conversation, demonstrates the importance of the dialogue, and reduces the chance for any misunderstanding.

Communicating effectively with employees is an investment of time that will produce a high rate of return for you, your company, and your staff as you create a productive, harmonious, respectful and friendly work environment.

Four Point HR will be closed Friday December 24, 2010 and Friday December 31, 2010 for the Christmas and New Year Holidays.

Any payrolls affected by the holiday schedule will be communicated by mid December.

Address corrections are imperative for employees to receive their W-2 forms in January. We have put notices on the outside of employees' pay stubs and we ask that our clients ask their staff to check their addresses and all other information on their paychecks for accuracy. Our clients partnered with us in this effort last year, and we saw far fewer returned forms as a result.

It is renewal time for the Flexible Spending Account (FSA). The Flexible Spending Account offers the opportunity to save up to 30% on eligible healthcare and/or dependent care by using pre-tax dollars. Using pre-tax dollars lowers gross salary, which, in turn, lowers taxes and increases take home pay.

FSA allows employees the option to enroll up to \$3500 per year in the Healthcare program and up to \$5000 per year in the Dependent Care program depending on the estimated expenses for the upcoming year. The funds are then deducted pre-tax in equal amounts from each paycheck throughout the plan year. As you incur eligible expenses, you simply submit a request for reimbursement to TASC, our Flexible Spending Account partner. For additional convenience, Four Point HR is providing you with a TASC card to purchase your medical and dependent expenses at the point of purchase, which eliminates the need for reimbursement.

Keep in mind that legislation amended the definition of which over-the-counter medicines are eligible for the FSA plan. Effective January 1, 2011, you must now obtain a prescription or letter of medical necessity from your physician in order for it to be covered under the plan. Four Point HR will be distributing literature for the Flexible Spending Account sign up in the next couple of weeks and can answer any questions and provide a detailed outline of the over-the-counter eligibility.



# Reduce Tax Time Stress - Collect Tax Records Now

## Year End Checklist

The end of the year is the time to start preparing for successful and smooth year-end processing. Below is a simple checklist to follow to ensure that each of your employees receives correct information on their W2s and that your company is in compliance with the IRS.

1. Send a reminder to your employees to verify the company has the correct spelling of their name and their current address.

Remember, the name that appears on the W2 should exactly match their Social Security Card.

2. Make sure that you have the correct Social Security Number for each employee.

3. W2 forms are to be postmarked no later than January 31, 2011. Four Point HR makes every attempt to postmark them by the 21<sup>st</sup>. We will advise of the actual mailing date.

4. Make sure you have an I-9, W-4, and State Withholding Form (if applicable) for each employee. This will ensure you are in compliance with Federal and DOL requirements.

Many like to quip that the only two certainties in life are death and taxes. No one really wants to die or pay for taxes. Fortunately, taxes don't have to be a major source of stress. Toward the end of this month, you will start receiving paperwork necessary to file income taxes. Here is a checklist of some common tax items needed to help minimize your stress level:

### Income

- W-2s
- 1099s for miscellaneous income, jury duty, alimony
- Interest and dividend income statements
- Social Security (1099-SSA) and pension income statements
- Retirement plan distributions (1099-R) for contributions, distributions, and rollovers
- Brokerage statements (1099-B)
- Profit/loss K-1 statements from partnerships, trusts, and small business
- Income/expense from rental properties, self-employment, and hobbies

### Deductions

- Real estate tax documents
- Expenses: moving, education, child-care, mortgage and student interest, IRA contributions
- Charitable donations (cash and non-cash) receipts
- Health care expenses
- Casualty and theft loss documentation
- Un-reimbursed employee expenses
- Receipts for qualified energy efficiency purchases
- Documents for purchase, sale, or refinance of a home
- Motor vehicle registration receipts
- Gambling profit and losses documentation
- Mileage logs for business, moving, medical, and charitable travel

### Other

- Cost information for any investment or property sale
- Dependent information (DOB, age, income, etc.)
- Education information for qualifying family members
- Review all checking account and credit card statements for deductions
- Identify estimated tax payments made during the year
- Copies of any tax refunds
- Year-end payroll check stub
- Recap of any gifts received or given over \$13,000



# Holiday Season Workplace Safety

The holidays are quickly approaching and during the busy holiday season, the risk for accidents and injuries increases mainly due to stress, distractions, activities outside the workplace and reduced sleep. Keep all OSHA regulations in mind when decorating for and celebrating in the workplace for the holidays.

## **Company Liability**

During the holiday season, many companies hold holiday parties for their employees. The first step in the planning of your company party is to make sure that employees understand the company policy on claims reporting, drinking and driving, proper behavior, and employee harassment. Your company can be held liable for injuries, drinking and harassment that occur at your company functions.

## **Holiday Celebration**

If you'll be holding a holiday party in or outside of the office where alcohol will be served, it's essential to make transportation arrangements for guests who should not drive. Your company is obligated to keep coworkers and other guests protected from drinking and driving, and to mitigate potential legal liability to your business. Your company may consider designating members of management to watch for partygoers that should not be driving and to make arrangements for them to get home.

## **Office Holiday Decorations**

When deciding how to decorate your office for the holiday season, it's important to remember to look for potential safety hazards. Holiday decorations should create higher morale at the workplace, not hazards and potential for accidents and injuries. According to the U.S. Consumer Product Safety Commission, over 12,000 people nationally are treated for falls, cuts, shocks, and burns due to incidents involving faulty holiday lights, dried-out Christmas trees and other holiday decorations.

## **Fire Safety**

Before the decorating begins, verify that all of your fire safety equipment is in proper working order including your fire extinguishers, smoke detectors and sprinkler system. Do not place any decorative items on the sprinklers. Choose artificial greenery made of fire retardant materials for office decorating. All decorations should be either noncombustible, inherently flame retardant (the label will say so), or have been treated with a flame retardant solution. The product label will state if the product is noncombustible or made with fire retardant materials. Candles are a common holiday decoration and contribute to 10,000 fires per year and are not safe to use in the workplace.

## **Electric Safety**

It's also important to make sure that you use holiday lights properly. Never place staples or nails through strings of lights, power cords, or extension cords. Do not connect more than three strands of lights together. Don't overload extension cords, which could cause the cord to overheat and start a fire. If extension cords are used they should not be laid across a walkway. If you decorate the outside of your office, verify that any lights you use are rated for exterior use. Make sure that all illuminated items are turned off when the office is closed. It is recommended that the company puts one person in charge of this task, so there's no confusion whether the lights need to be checked and that all lights are turned off before leaving the office at the of each day.



## Employee Benefits In A Post-Recession Economy

A research study was conducted with a group of HR professionals to determine the negative effects of the economic recession on employee benefits. It was determined that organizations are looking for ways to manage costs while dealing with the escalating expenses of employee benefits and that over 70% reported that their benefits were affected in some way. Within the study, yielded several key findings:

- Employee benefits remained relatively stable from 2009 to 2010.
- The largest downward trend since 2009 was in the housing relocation and business travel benefits.
- Benefit offerings experienced a downward trend when compared with results from five years ago.
- More than three-quarters report that they review their benefit programs annually with 10% reporting they reviewed them more often.
- Employee benefit offerings have become an important element to an employee's total compensation packet and contribute to an employee's job satisfaction.

With benefits being the hot topic to recruit and retain employees in your organization, it is important for the benefit package to be attractive for the employee and cost effective for the employer. Four Point HR continues to monitor changes to legislation and its potential impact to provide the best options for your company.

Communication with your employees is also very important. When employees fully understand the true value of their benefits, their benefit options and the compensation associated with the benefit offerings; they are more likely to realize the true benefit the company is giving them. It is a good practice to have employees review their benefits and ask them to provide feedback. A well-designed employer program is based on employee needs and will support your companies' ability to attract and retain employees.