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## STIMULUS CHANGES – PAYROLL TAXES

By April 1, 2009, the tax changes for the Stimulus package, also known as the American Recovery & Reinvestment Act (ARRA), are to be in place. What does this mean for the employee?

Basically, most employees will see a reduction in the amount of taxes withheld. The program, entitled "Making Work Pay", will give workers a rebate for the 2009 and 2010 tax years. Workers will receive a credit of \$400 for individuals, \$800 for couples, or 6.2% of earned income in their net paychecks through adjusted tax withholding tables. The Treasury estimates that a typical family will take home about \$65.00 more per month. The amount that will be credited will be based on the employees withholding and number of dependents claimed.

There is nothing the employee, or you, need to do for these tax changes. The employee's current W-4 will stay active unless the employee opts to change their current withholding status. Should that be the case, it will require a new W-4. The W-4 can be located on your client specific Web page. Please contact us if you need assistance.

Four Point HR stays up to date on all changes affecting employee's paychecks. We will monitor the ARRA for any additional changes in the coming weeks to ensure we are compliant with all Federal mandates.

## Did You Know



You can access, complete and submit all forms via your client Web site.



Four Point HR offers our clients direct deposit services.



Work-related injuries must be reported to the Four Point HR Risk Management Department immediately and no later than 8 hours from time of incident.



# WORKERS' COMPENSATION: New Carrier for Four Point HR

Four Point HR selects Guarantee Insurance Company (GIC) as our Workers' Compensation carrier for policy period 3/1/2009-3/1/2010

The policy limits on our Workers' Compensation policy will continue to be \$1,000,000. Guarantee Insurance Company (GIC) is licensed in several states and has offices in St. Louis, MO; Lake Mary, FL; Ft. Lauderdale, FL and Sarasota, FL.

If you have any questions, please call our office at (404) 898-0788.

GIC offers an outstanding level of personalized claims service and Four Point HR will have a single claims adjuster to handle all of our claims. GIC has a full array of cost containment programs to ensure claims are adjusted at the least possible cost. Examples of these programs are:

- Bill review, provider networks and 24-hour claims reporting services
- Four Point HR will be assigned to one of GIC highly qualified nurse case managers who will direct the care if a serious injury occurs to one of our employees
- GIC will fight fraudulent claims! Their adjusters are trained to identify potentially fraudulent claims and they aggressively investigate these claims utilizing surveillance when necessary.

In the coming weeks you will be receiving updated Claims Reporting Kits.

The claims reporting procedures have not changed. If an employee has an injury on the jobsite, please complete the First Report of Injury and Accident Investigation and email it to: [riskmanagement@fourpointhr.com](mailto:riskmanagement@fourpointhr.com) or fax it to (404) 898 - 0388.



# Federal Job Discrimination Complaints Hit Record

The Equal Employment Opportunity Commission received more than 95,000 discrimination claims during the 2008 fiscal year, which is an increase of 15 percent over the previous year.

Charges of age discrimination were up 28.7 -- the largest increase of any category of claims. Other discrimination claims filed in 2008 were based on race, sex and retaliation.

The EEOC's acting chairman, Stuart Ishimaru, says that the increasing number of complaints show that employment discrimination remains a persistent problem. The agency says that the increase may be due to harsh economic conditions, increased diversity in the workforce and a greater awareness of the law.

Four Point HR can provide and assist in implementing guidelines for training programs. In addition, when an employer is defending a claim, the EEOC has indicated that employers who can show evidence of harassment training may avoid punitive damages. The following guidelines should be in writing.

- The employer should provide training to ALL employees to ensure they understand their rights and responsibilities concerning workplace harassment.
- The training should be delivered within 6 months of hire or promotion date.
- Retraining is required every 2 years.
- Training should include: scenarios, discussion questions and skill-building activities to ensure the employees understand all harassment policies.
- Employers should document who attended the program and subject matter covered.

Federal Job  
Discrimination  
Complaints hit  
record numbers  
in 2008 and are  
expected to  
increase in 2009  
by an additional  
15%. Contact us  
to discuss  
implementing  
guidelines and  
training  
programs.



# 401 (k) and the Economy

It is an understatement that our economic situation continues to be a volatile one. It is unsettling to continue to plan for retirement as we watch our retirement savings lose value. What can be done about it? The best approach is to get back to basics. Transamerica recommends the following back to basics approach.

- **Think Long-Term.** If you plan to retire in 10, 20 or 30 years, you probably have a long-term investment strategy. Therefore, short-term stock market swings will have less of an impact on that strategy. There is not a hard and fast rule or guarantee, but generally over long periods, stocks earn more than bonds or less-volatile short-term investments, such as cash, certificates of deposit or bank savings accounts. Resist the urge to respond to daily fluctuations.
- **Don't Panic.** If you panic and sell your investment now, you will lock in any losses. There is no way to predict how the market will rise or fall in the short term.
- **Understand Risk.** The higher an investments risk, the higher the investments potential returns or losses. Stocks usually carry a higher risk than bonds or cash. Transamerica indicates that "over many years—a decade or longer—inflation risk and the accompanying potential loss of purchasing power could have a far greater impact on your financial wellbeing in retirement than short-term market ups and downs. Over long periods of time, stocks have done better than bonds or cash at outpacing inflation. Learn more about personal finances and investing at educational Web sites such as [www.mymoney.gov](http://www.mymoney.gov) and the Transamerica Retirement Services Web site: **[www.TA-Retirement.com](http://www.TA-Retirement.com)**."
- **Invest at your Comfort Level.** Research your investment options carefully to avoid an investment that is not right for you.
- **Diversify.** One way of diversifying is to allocate your money broadly into stocks, bonds and cash. If your investments are currently too concentrated, consider diversifying further.
- **Increase Contribution Levels.** If you can, make up for any declines in your account balance by increasing your future salary deferrals. For example, increasing your deferral by 1% of your salary each year for a few years could end up making a large difference over time.

Contact us for  
more  
information on  
401 (k)  
enrollment.



# American Recovery and Reinvestment Act of 2009

What are the employment related changes?

## **GROUP HEALTH COVERAGE**

This Act affects the premium charges for COBRA and Health Continuation plans for employers with group health insurance. For employers with 20 or more employees, premiums will be reduced for employees who have been involuntarily terminated. The legislation provides that the employee be charged 35% of their COBRA premium for nine months. The employer must pay the balance (65%) of the COBRA premium and is able to take a credit when filing the 941.

For employers with fewer than 20 employees, the state continuation plan for all employers with group health plans is affected. The employee will still be charged 35% but for only 3 months in Georgia and Tennessee. At this time, the procedure for payment of the balance of the premium is uncertain. More information will be available from the Department of Labor later this month.

## **UNEMPLOYMENT**

Unemployment benefits will be increased for the employee by \$25.00 a week. Unemployment benefits have been extended by another seven weeks. The total period a former employee can collect benefits is one year and seven weeks for a total of 59 weeks. The most likely impact is a future increase in the SUTA rate for employers.

A bill to create jobs, restore economic growth, and strengthen America's middle class through measures that modernize the nation's infrastructure, enhance America's energy