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## Did You Know?



According to WebMD, regular exercise provides numerous benefits including: boosted brainpower, increased energy, decreased stress, slowed aging, improved heart function, and weight loss.

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## BLOG CORNER: Cross Training = Team Building

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

Many of our clients have gone through staff reductions over the last 18 months. It is no secret that a round of layoffs or terminations has a negative affect on employee morale. Remaining staff members are often sad to see their co-workers leave and are anxious about the security of their own employment.

Establishing a cross training process can be an effective way to improve morale and make your business operate more efficiently. Cross training exercises make current staff members feel more secure about their employment and gain a greater understanding of how their particular job fits into the overall operation of your business. These exercises help your business efficiency by ensuring that multiple staff members are able to handle important functions.

To get the most from this process, clearly communicate to all staff members what you are doing, why it is necessary, when and how often it will occur and what end result you hope to achieve. Conduct cross training between employees with similar skill sets who work in similar areas of your business. Cross training your accountant with your janitor is probably not going to improve efficiency in either position, but cross training one department head with another is very likely to improve internal efficiency.

Clearly define what is expected from each cross training session, request reports from staff members after the process has concluded and then delegate down the responsibility to your staff.



# Economic Recovery Expected to Continue

## Payroll Corner

Four Point HR offices will be closed on Monday, May 31<sup>st</sup>, in observance of Memorial Day. Clients that normally submit payroll on Mondays can still submit that day or wait until Tuesday. Payroll processing will not begin until Tuesday, June 1<sup>st</sup>, and will not affect or change any pay dates that week.

In an address to the Joint Economic Committee of Congress, Federal Reserve Chairman Ben Bernanke said that he was confident that the current economic recovery would continue.

Mr. Bernanke believes that the recovery will continue even after the government stimulus is spent down later this year. Current economic indicators show an increase in demand by consumer and businesses, which should be enough to promote a modest economic recovery in the near future.

One positive economic indicator is the increase in consumer spending following a sharp decrease in spending during the recession. This spending increase is a result of a slight increase in job creation leading to an increase in household wealth, along with greater availability of money to loan.

Another economic indicator is an increase in spending by businesses on capital items such as equipment and software.

Lastly, the growth in manufacturing due to an increasing demand for U.S. exports will help to promote the current economic recovery.

While Mr. Bernanke remains optimistic regarding the continued economic recovery, he cited three factors that could slow the rate of the recovery. These are the weakness in demand for housing and commercial real estate, the slow recovery of jobs lost during the recession, and the poor fiscal conditions of some state and local governments.



# Tax Benefits For Hiring Unemployed Workers

The Hiring Incentives to Restore Employment (HIRE) Act was signed and enacted into law by President Obama on March 18, 2010. This legislation provides two new tax benefits to employers hiring workers who were previously unemployed or working part time:

Employers hiring eligible individuals beginning February 3, 2010, and ending December 31, 2010, may not be required to remit the employer share of the 6.2 percent portion of FICA tax while they are employed in 2010. Exemption from this social security tax would affect wages paid to the workers after March 18<sup>th</sup>, 2010. Please keep in mind that employers are still responsible for withholding and paying the employee's 6.2 percent portion of this tax as well as both shares of the 1.45 percent Medicare tax and income taxes.

Employers retaining such employees for at least 52 weeks may be eligible for an additional \$1,000 corporate tax credit per eligible employee when they file their 2011 income tax returns. In addition, the IRS released a HIRE Act Employee Affidavit (Form W-11) on April 7<sup>th</sup>, 2010. This form must be completed by the new hire as their confirmation of being unemployed or working part time (no more than 40 hours during the 60-days prior to employment with a new company). The form verifies that the individual is a qualified employee under the HIRE Act and confirms that employers cannot claim the benefits noted above unless the employee completes and signs the affidavit. Employers are required to keep the form on file and additional W-11 forms can be found on the IRS Web site.

Additional notes on the HIRE Act include:

- A new hire replacing another position is not a qualified employee unless the worker being replaced left voluntarily or for cause (including downsizing).
- Family members and other relatives are not qualified employees.
- New businesses can apply for the tax exemption as long as their new hires are qualified employees.
- Household employers cannot claim the new tax benefit.
- Taxable businesses, tax-exempt organizations, public colleges and universities can qualify for the exemption. (Federal, State or Local government employers generally do not qualify.)
- The 2010 Form W-2 will have a box 12, code "CC" added for reporting HIRE Act exempt wages and tips for qualified employees.

Employers will claim the payroll tax benefit on the federal employment tax return they file, usually quarterly, with the IRS. Four Point HR will process the credits for our clients and will monitor details and revisions with the IRS.



# Machine Safety

## NEWSLETTER SUBSCRIBER BONUS

Four Point HR thanks our email newsletter subscribers with a monthly treat. We'll draw a name from the subscriber file on the first Monday of each month and will reward that subscriber with a \$25 Starbucks Card. Sign up today and share the offer with a friend or co-worker!

The Occupational Safety and Health Administration (OSHA) requires guarding for any machine where machine parts, functions, or processes may cause injury. These OSHA standards include, but are not limited to, OSHA General Industry Standards, Title 29 of the *Code of Federal Regulations (CFR)*, Part 1910 and the Construction Industry Standards in CFR 1926. Moving machine parts have the potential to cause severe workplace injuries, such as crushed fingers or hands, amputations, burns, or blindness. Safeguards are essential for protecting workers from these preventable injuries.

According to OSHA, workers who operate and maintain machinery suffer approximately 18,000 amputations, lacerations, crushing injuries, abrasions, and more than 800 deaths per year. Amputation is one of the most severe and crippling injuries in the occupational workplace, and often results in permanent disability.

You can help to reduce injuries of this nature and improve safety at your workplace by developing and implementing a Machine Guarding Safety Program - a fundamental component of all workplace safety and health programs.

To develop such a program, you must first understand how your machinery operates and the moving and the non-moving hazards of the equipment. These movements and hazards can cause severe damage should a body part come in contact. Consider this three-point plan:

- Identify the "Points of Operation" and power transmission sources for each machine or piece of equipment. Knowing both the moving / non-moving hazards of the machinery and the "Points of Operation" will help you to understand what types of guarding may be necessary.
- Evaluate the guards present and the ability for the operator to bypass the guard. Many injuries occur as a result of the operator removing the guard because "it was in the way". The equipment has been engineered for safety, so removing manufacturer-installed guards should be prohibited in your workplace. The equipment's owner's manual is a good source for information on proper operation of the equipment and safety rules for safe operation of the equipment.
- Conduct a job assessment while the equipment is in operation to identify any hazards and or exposures not identified in the steps above.

Complete your written Machine Guarding Safety Program using the OSHA standards and the information from the steps above. Confirm that your employees are properly trained on the use of each piece of equipment, that the guards that protect the operator, and that all training is documented.



# Health Care Reform – The New Legislation

On March 23, 2010, the President signed the Patient Protection and Affordable Care Act for health care reform. The Act goes into effect for the plan years beginning September 23, 2010. Employers have until their 2011 plan year renewal dates to implement the provisions. What does this mean to employers? Although some specific regulations are still being finalized, employers need to prepare for changes now. Some of the key factors, over the next few years, are as follows.

- Employers who employ more than 200 employees must automatically enroll new full-time employees in coverage. They must also provide employees with an opportunity to opt-out of coverage. The effective date of this provision will be determined soon.
- Employers are required to report the aggregate value of medical, vision, dental, and supplemental insurance coverage on employees' 2011 W-2's.
- Employer-provided group health plans are required to cover adult children up to age 26 unless they are eligible under another group plan. This coverage will be non-taxable. The group health plan must eliminate pre-existing condition exclusions for children under age 19.
- Employer-provided coverage must eliminate lifetime limits on essential benefits coverage and may only place restricted annual limits on essential benefits coverage until 2014 when annual limits are prohibited.
- In 2011, over-the-counter medicines will no longer be eligible for purchase with funds from a Flexible Spending Account unless a prescription is provided.
- Small employers that establish wellness programs would be eligible for grants for up to five years.
- Employers with fewer than 25 employees and average wages of less than \$50,000 could qualify for a tax credit of up to 35 percent of the cost of employees' premiums.

The regulations will continue to evolve through 2014 with the last year placing the major changes to the health care reform. It should be noted that these provisions are interpretations of the Patient Protection and Affordable Care Act and that Four Point HR will continue to update our clients as the provisions are finalized.