



September 2009



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

Issue Nine

Did You Know?



Four Point HR has a new **Drug Testing and Background Check Program.**

The benefits of this program include:

- Reduced Pricing
- Internet-Based Access
- Billing Through Payroll
- Drug Free Workplace Compliance
- Client Customization

IN THIS ISSUE

Blog Corner: The Changing Business World

Telecommuting: Does It Pay?

Reducing Expenses

FLSA Misclassifications: Avoid the Risks

Payroll Corner

Back To School Driving Safety

Time To Check Your Withholding



BLOG CORNER: The Changing Business World

Stay connected to Four Point HR. Post a response on this topic and others to our blog at fourpointhr.com/peo.

Today's times are not for timid leaders. The business world, as we know it, has changed dramatically.

Two decades of prosperity have given way to uncertainty. Those of you who have created strategic plans must be wondering what portion of these plans still applies. Those who have not must certainly feel the need to chart a course for the future.

We want to know what you think about these issues: What are out talent needs going forward? Are changes necessary for the basic structure of your operations to ensure you success in the future? If so, what are these changes? How will you go about conducting the planning process to include your key people?



TELECOMMUTING: Does It Pay?

Telecommuting has become a household word in the past few years as our country steers more in a 'green' direction and strives to help employees balance their life-work load. Companies can maintain reliable, hard-working and happy employees by offering the flexibility that comes with a telecommuting program. This can also save money and provide an overall healthier environment for everyone. Let's take a look at some of the present and future advantages telecommuting can offer:

- **Energy Conservation:** There are various methods of transportation available today for employees to utilize whether it is a car, bus or train. Large amounts of energy go into the production of these vehicles and the fuel resources required to operate can be tremendous. In order to travel from one destination to another, it becomes necessary to make use of a number of roadways that are also constructed, maintained and repaired with a high-energy cost. If we start to see an increase in telecommuting, we will most definitely see a decrease in demand for transportation, petroleum and constant building and repair of roads or highways. Not only will these changes conserve a significant amount of energy for the future, but they will also reduce the amount of pollution in the environment giving us a clean air alternative.
- **Safety Promotion:** If more employees telecommute, there will likely be fewer automobile accidents. The fewer number of people on the roadways will free up space for other travelers as well as cut down on the time it takes to get to work. We see traffic-related injuries every day but, with telecommuting, we can reduce the causes of 'road rage' that are all too prevalent.
- **Health Improvement:** Stress is a major health factor today and can be very prevalent when an employee is commuting back and forth to their job. By telecommuting, an employee can work from home and not compromise job productivity or family life. At least for a couple of days there are no worries of traffic jams, being late to a meeting, going to the office on the north or south side of town, etc. By already being at the workplace (in their home) an employee can start their day immediately, attend the meeting via conference call or online and conduct business as usual; all the while, being more productive. This leaves time for that workout that may not have been on the agenda if still driving home; therefore, all of these factors can reduce the level of stress and improve physical and mental health.
- **Cost Reduction:** Businesses face so many daily operating expenses and, in tight financial times, this may impact employees' salaries or work schedules. If telecommuting is an option for your company, you and your employees could save money. Costs for building operations can be reduced with a smaller number of on-site workers. Consolidate the company into one building resulting in a downsizing of office space that results in lowered expense for rent, IT communications and wiring. At the same time, your employees will reduce their costs of getting to work by driving less; therefore, not as much gasoline or car maintenance is required. They will also be able to curb the budget spent on a business wardrobe each year.
- **Tax Advantages:** Employers should check regularly with the revenue department in their state to see if a telecommuting tax credit is available. Georgia was the first state to offer this incentive that gave a one-time tax credit to employers to offset implementation costs. You may also be entitled to annual credits per new teleworker.

If you are a Georgia employer starting or expanding a telework program, go to the www.cleancaircampaign.org Web site and submit the 'Tax Credit Application' to the State Revenue Commissioner by October 31, 2009. You will be notified by December 31, 2009 if your program is eligible to receive the Georgia Telework Tax Credit in 2010. This website will also be helpful in answering any telecommuting questions and will give you an idea of the amount of tax credit offered to businesses.

There are many other benefits to telecommuting not mentioned in this article and the demand for this alternative is growing. With all of the positive aspects, more companies could choose to launch this program or expand upon a current plan already in place. Telecommuting is definitely a 'win-win' opportunity for companies and employees alike. Keep in mind that this may not be applicable to all businesses and should be reviewed on a case-by-case basis.



Reducing Expenses

401(k) BENEFITS

Small and large businesses alike are looking for ways to trim expenses. If you have an existing 401(k) plan that is being administered through your company, our Multiple Employer Plan may be your answer. The plan has the ability to help our clients reduce retirement plan-related expenses to see hard cost savings in the following ways:

- Audit expenses
- Form 5500 preparation expenses
- Nondiscrimination testing expenses
- Document preparation expenses
- Investments fees
- IRS filing preparation expenses
- Plan design
- Administrative support

By adopting our Multiple Employer Plan, companies will no longer need to handle a number of tasks including: eligibility tracking, contribution remittance, distributions, annual testing, enrollment and more. Redirecting these administrative responsibilities can save hundreds of man-hours and allow management and staff to focus on their core business.

If you do not currently offer a 401(k) to your employees and are interested in the Multiple Employer Plan, please contact us for more information.

MANAGING HEALTH INSURANCE

Many questions arise when managing health insurance. The most often asked question is typically, "Is my doctor still on the provider list?" Provider lists, as well as in-plan hospitals, can change daily, although the on-line provider lists may not be updated as frequently. To ensure current participation in the insurance programs, the responsibility falls to the employee who should do the following:

- Check the provider Web site for the doctor or hospital. Using In-network physicians and facilities is very cost effective.
- Know the deductible and co-pay requirements.
- Remember, the provider list is not always accurate. Check with the doctor's office to ensure they accept the plan, even if they are listed as a provider.
- Even if a company elected to keep the same insurance carrier, the plan may have changed to provide better rates. Don't assume that the doctor/hospital continues to be an option and always verify before the appointment.
- During a renewal process, thoroughly check the current coverage. As times change, so may the coverage, level of coverage and provider list.

Understanding coverage prior to a doctor or hospital visit will save time and money. Being informed makes smart financial sense.



FLSA Misclassifications: Avoid the Risks

Page 1 of 2

The Fair Labor Standards Act (FLSA) was set up to establish the minimum wage, overtime pay, recordkeeping and child labor standards affecting full-time and part time workers in the private sector and in Federal, State and local governments.

Employers, as well as employees, must keep records or have a tracking system in place to ensure that there are no problems. It is important to note that the number of FLSA cases has risen over the past ten years. In addition, the Labor Department has increased scrutiny and focus on the Wage and Hour Division. There will be increased attention placed on the misclassification of employees as to their exempt or non-exempt status. Infractions will be costly with fines and unpaid overtime if the employee is deemed misclassified.

What are the Basic Employee Classifications?

It is extremely important to classify employees properly in administering salaries and benefits and to comply with employment and tax laws. The basic classifications are as follows. (Note – check the US Department of Labor site for updates and/or changes at <http://www.dol.gov>:

- Full-time regular employees
 - Working 37½ or more hours each week – can be exempt or non-exempt
- Part-time regular employees
 - Working fewer than 37½ hours each week – can be exempt or non-exempt
- Temporary employees
 - Hired by employer to work for a specific duration of time on a specific project or assignment. Generally not exceeding a 12-month period.
 - Not to be confused with workers from temporary agencies. These employees are not on the employer's payroll but on the temporary agencies payroll.
- Contract employees
 - Staff of a company who have been contracted out for services or self-employed individuals with whom the company has contracted directly.

Exempt vs. Non-exempt

Exempt employees are employees that are NOT entitled to overtime pay. Non-exempt employees ARE entitled to overtime pay. However, whether they are exempt or non-exempt depends on these three factors: 1) how much they are paid, 2) how they are paid and 3) what kind of work they do. Employees that are paid less than \$455 per week (\$23,600 per year) are considered non-exempt employees and any employees that are paid more than \$100,000 per year are almost, undoubtedly, exempt.



FLSA Misclassifications: Avoid the Risks

Page 2 of 2

What Are Exempt Positions?

Exempt positions fall into six categories. Exempt employees can be paid a salary which must exceed \$455 per week / \$23,600 per year or \$27.63 per hour for exempt computer positions:

- Executives
- Administrative
- Professional
- Computer
- Outside sales
- Highly compensated employees

What Are Non-Exempt Positions?

Non-exempt employees are those that are paid for hours worked. They are generally involved in a physical, manual labor or repetitive work environment. Usually, in the production of a product, the maintaining of products or property, construction workers, law enforcement, emergency response personnel or the like. (Note – check the US Department of Labor site for updates and/or changes - <http://www.dol.gov>:

How to Avoid FLSA Related Issues

- Review your time reporting procedures
- Keep good records
- Train your managers on the requirements of company policy and FLSA to avoid FLSA claims
- Review how your employees are categorized and correct any who are misclassified as exempt or independent contractors

Need Additional Information or Assistance with Compliance?

Please contact the HR department for assistance. You may also find helpful information by visiting the US Department of Labor's website for FLSA compliance criteria at <http://www.dol.gov/esa/whd/regs/compliance/hrg.htm>



PAYROLL CORNER

•Four Point HR's offices will be closed on Monday, September 7th, in observance of the **Labor Day Holiday**. Payrolls normally submitted on Monday may be submitted on Friday, September 4th or Tuesday, September 8th with no impact on the check date.

•**Georgia Savings** From October 1st – 4th, Georgia residents will have the opportunity to “green” their homes by purchasing water and energy efficient appliances priced at \$1,500 or less **tax-free!**

Back To School Driving Safety

It's that time of year again. Summer is over and children are going back to school. Now is the perfect time to hold a driving safety meeting with your employees.

With school in session and school buses back on the streets, drivers need to pay extra attention around school zones, crosswalks and bus stops. Accidents, including pedestrian accidents, are far more likely to occur locally on routes in which drivers are more familiar and comfortable. Every year, school bus accidents occur due to many drivers forgetting some school bus safety laws and rules. Here are some back-to-school safe driving tips:

Stop for school bus lights. Always stop for school buses with flashing red lights. Drivers approaching the bus must come to a full stop for the duration that the red lights are on.

Check your state law. Check your state law regarding traveling in the opposite direction across a divided road, when the bus light are flashing. (Some states require that you stop then as well)

Passing a school bus. Never pass on the right side of the bus. It's illegal and dangerous as this is where children enter and exit. Doing so can have tragic results.

Anticipate the worst. Always be mindful that a small child may run in front of your car. Slow down and prepare to brake.

Be careful around parked vehicles. Be especially careful in areas with parked vehicles on the side of the road. Children waiting to cross may be especially difficult to see behind parked sport-utility vehicles.

Obey crossing guards. Always obey the direction given by school crossing guards. In some areas school crossing guards have the same authority as local traffic police.

Avoid driving in reverse. Avoid backing up your vehicle in areas with children. It's difficult to see them while you are backing up.

Don't speed. Remember that the speed limit in most school zones is 15 to 25 miles per hour.

Don't honk at pedestrians or bicyclists. Honking at a child, whether on foot or on a bicycle, is not a good idea. The noise could possible startle a child and cause them to trip or fall into oncoming traffic.



Time To Check Your Withholding

Don't forget, mid year is a good time to review your federal tax withholding to minimize your tax exposure when income taxes are due next year. If you find that you need to adjust your federal tax withholding, submit a new Form W-4 to Four Point HR.

With 2009 more than half over, now is a good time to check your federal income tax withholding to make sure that you do not have an unexpected tax burden when you file your federal taxes for 2009.

The Making Work Pay Credit, part of the American Recovery and Reinvestment Act of 2009, decreased the federal tax withholding for 2009. The Internal Revenue Service has suggested that taxpayers who fall into the following groups check their withholding to make sure that enough tax is withheld:

- You have more than 1 job
- You and your spouse both work
- You are a worker who can be claimed as a dependent on another return

The IRS has a withholding calculator at IRS.gov that can help calculate the correct federal tax withholding for you. To ensure accurate results when using this tool, you will need the following:

- Your most recent pay stubs
- Your most recent income tax return

Be sure to complete all of the information that applies to you and know that you can estimate amounts if you do not have the information handy. If you have a question, there are information links to help. Review your results and complete a new Form W-4 if warranted

Also, keep in mind that if you expect to receive more than \$2400 in unemployment compensation, you should have tax withheld on the amounts above the first \$2400. The withholding calculator will take this into account.