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Did You Know?



According to an article published in the *Wall Street Journal*, numerous studies have tried to find a clear link between pay practices and performance, but largely could not. Incentive pay is effective when performance is based on individual effort and can be fairly measured. It is less effective when measurement is subjective and the work is done by teams.

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BLOG CORNER: Mentoring Young Talent

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We can find talented people at the base of every successful company. These people did not necessarily arrive at the business with a complete set of skills and good work habits. On the contrary, great companies understand that getting the most from all staff members is the key achieving greatness. That said, what are you doing to coach young talent as many companies lack a formal mentoring program. Implementing such a program, whether formally or informally, can provide great returns and feelings of accomplishment as you see your talent grow. To begin such a program, clearly state goals. It may be to achieve greater understanding and camaraderie among your people or to build greater skills among subordinates. Clarify the mentor roles by outlining their goals in the process and allowing them to get personally involved. Make sure that you are providing them with adequate resources to help guide them along the way. Lastly, throw out the boss/subordinate role and ensure that mentoring is done outside of the traditional structure. If your organization is not large enough for this to occur, simply set aside mentoring time with the understanding that these time periods are reserved for growth and not accountability.



COBRA Extension Approved

Congress has extended, for a second time, the COBRA subsidy eligibility period under the American Recovery and Reinvestment ACT of 2009 (ARRA). The coverage period now reflects the timeframe of September 1, 2008 through March 31, 2010. The period of coverage, for COBRA, continues to be a maximum of 18 months. However, the subsidy provision, for eligible employees benefiting from the 65 % offset of premiums through employer paid contributions, is a maximum of 15 months.

The temporary extension was further extended to cover employees through the month of March. The former cut off date was February 28, 2010. The new challenge for this extension lies within an additional group of qualified individuals. An employee who experienced a reduction of hours, followed by an involuntary termination, which resulted in a qualifying event, will now be able to take advantage of the subsidy program back to the time of the reduction of hours. Previously, this "second qualifying event" was not covered under COBRA because coverage was already lost as a result of the first event -- the reduction of hours. Employers will now need to identify whether the hours of reduction were reduced as of the initial start date of September 1, 2008 and whether the employee was offered COBRA at the time. If deemed eligible, the employees will need to be notified that they have new rights to receive the subsidized coverage. If the former employee did not elect COBRA at the time of the hour's reduction, they would now be entitled to elect COBRA as of the involuntary termination date, if they are eligible for the subsidy. Any gap in coverage would be ignored for the purpose of the pre-existing condition limitation. In addition, payments for the gap period would not be required.

The Senate has already passed an additional proposal to expand the subsidy program through December 2010. It must pass the U.S. House of Representatives or be reconciled between the two chambers of Congress before the President can sign it into law. It is expected to pass.

For the law to be effective, the requirements for COBRA availability remain the same. COBRA coverage requires an employer to have a minimum of 20 or more employees, on more than 50 percent of its typical business days in the previous calendar year for eligibility.

Four Point HR continues to monitor the changes in the law and ensures that all our clients are in compliance. If required, extension notices will be sent to all former employees who qualify and our clients will be notified.



FMLA Findings

The Family Medical Leave Act emerges in many aspects of our daily business activities. Sometimes, FMLA covers more areas than we are aware of like the following:

- Weather all over the country has been unpredictable this past year and has impacted businesses that are unaccustomed to closing their doors for even one day during the year due to outside climate conditions. Did you ever think that determining whether or not a company shuts down for a day due to weather could impact FMLA? Employers and employees may have differing views when deciding if they can make it to work safely or not due to weather. To protect your company, check the written policies and procedures to see what they state about employees taking an unapproved FMLA day due to weather. You can enforce the policy that employees submit re-certification forms from their physicians in order to qualify for FMLA for those days. This type of action should stop any misuse of FMLA leave and specify what part it plays, if any, in weather-related closings. When an employee requests FMLA leave, it is important to remember that they are protected under the FMLA guidelines from the time the request is made, not just when the leave begins. Companies should be aware of this provision if they intend to take action against an employee due to poor performance, habitual tardiness, etc. during the period between request for leave and the date the leave begins. If the employer receives FMLA paperwork and then decides to terminate the employee before leave commences, the employee may file suit against the company for interfering with FMLA rights.
- Legislation has been introduced that would require employers to offer up to seven paid sick days per year to their employees. These days are to be utilized for personal illness, preventative care, or to care for a sick child or a child whose school has closed due to the spread of flu. Medical records could be required of the employees before the leave is granted.

At Four Point HR, we keep clients informed of new and enhanced compliance issues to help them run smoothly and smartly.

**Information provided by Work & Well, Inc.*



Don't Overlook Deductions When Preparing Your Income Tax Return

The deadline for filing personal income taxes is quickly approaching. With the state of the economy today, everyone wants to reduce their income tax liability as much as possible to increase disposable income. One strategy is to increase deductions.

When preparing personal income taxes, there are deductions that are sometimes missed. The list below contains some of these often-missed deductions:

- Disaster losses not reimbursed by insurance
- Job-hunting travel and telephone expenses
- Employment agency and job counseling fees
- Costs for resume preparation
- Specialized clothing or small tools used for work
- Points paid by you on a new home loan
- Home mortgage points paid by a seller on your behalf
- Points paid on refinancing a home mortgage
- Remaining points not deducted on a prior refinancing when you refinance again
- Your actual expenses or \$0.14 for mileage while doing charitable work
- Fees paid for the preparation of your income tax return

This is not a comprehensive list of income tax deductions and these deductions may or may not be applicable to your particular situation. As always, if you have any questions regarding the preparation of your income tax return, you should consult a professional tax preparer.



Safety Responsibility

Safety Responsibility is a topic that applies to all types of industries. While top management is ultimately accountable for health and safety issues, it does not release other employee from their legal responsibilities. Management and employees should both be aware that safety practices require, at minimum, annual reviews in order to remain up to date.

A successful safety policy must identify and remove hazards, while promoting safe working practices so individuals will watch out for one another. From the top management down to the employee level, everyone must understand any dangers in the workplace and promote an attitude of Safety First. This starts with management showing the employees that they follow and promote the company safety rules.

Too often, companies become complacent when it comes to safety. Managers are satisfied with safety performance and stop raising safety awareness and indentifying and eliminating the potential for injuries. Employees become comfortable in their jobs and less aware of their working environments. The company stops holding safety and safety committee meetings, company meetings do not include company safety, and safety compliance/training has been removed from the budget. Regrettably, in most cases, it takes an injury to get the focus back on safety.

Your company safety policy should assign the responsibility for safety to all employees. When managers and supervisors do not make safety a top priority, employees will follow their example. We've included below a few standards to incorporate into your company's safety policy.

Management

- Follow the company's safety rules
- Hold regular scheduled departmental safety meetings
- Regularly attend safety meetings of other departments
- Perform, at minimum, a daily safety walk through of the department
- Take time to walk around and talk to employees about their safety concerns
- Personally review all reports of injury and accident investigations
- Integrate safety into all aspects of management planning and proposals
- Encourage employees to get involved in the safety process
- Serve on the safety committee

Employees

- Serve on the safety committee
- Report all unsafe conditions
- Plan and lead safety meetings
- Serve on the accident investigation committee
- Identify and recommend corrective action for worksite exposures