



Your Advantage

News and information to help you and your business succeed

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Revise Handbooks During Downtime

Many companies that are experiencing slow times right now are looking at their Employee Handbooks, Safety Manuals and Job Descriptions for possible revision work.

"Now is the time to read through the handbook and to ensure policies reflect actual practices of the company," according to Russ Kemp, Vice President of Employer Advantage. "Companies also need to be aware of federal and state law changes that may also affect their handbooks."

Employer Advantage's Human Resource Department and Safety/Loss Prevention Department can assist with reviewing or creating Employee Handbooks and Safety Manuals. After the handbook or manual has been created, Employer Advantage will supply copies to all employees at no additional charge for this service.

For more information, contact your Human Resource Representative or Safety/Loss Prevention Manager.

American Recovery and Reinvestment Act of 2009

The economic stimulus package that was signed by President Obama on February 17, 2009 affects businesses both in the short and long term. We have listed four areas, out of many, of which to be aware.

COBRA

Under the new law, employees or dependents of employees who lose group health insurance involuntarily due to layoff, termination or loss of hours between the months of September 1, 2008 through December 31, 2009, may be entitled to a COBRA subsidy. The qualified employees or dependents will pay 35% of the COBRA premium instead of the current 102% of the COBRA premium. This reduced premium would be available for up to nine months. Employers must offer additional election periods to employees and dependents who originally declined COBRA or those who elected and terminated coverage. Employers must pay the remaining 65% of the premium and are eligible to take a credit toward payroll taxes. Employees lose eligibility for the subsidy once they become eligible under another group health plan or Medicare. If the employee (or dependent) fail to notify the employer of his or her eligibility for another plan, they become responsible for 110% of the paid subsidy amount. Employees whose incomes exceed \$145,000 annually are not entitled to the subsidy.

Unemployment

The program that allowed unemployed workers up to 33 weeks of benefits, (instead of the usual 26 weeks) was set to expire on March 31, 2009. It has been extended to December 31, 2009. In addition, the first \$2400 of unemployment benefits is exempt from federal income taxes.

E-Verify

The final version of the Act removed all provisions that refer to EVerify and eliminated the five year authorization of the program. However, employers that

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American Recovery continued

receive funding under Troubled Asset Relief Program (TARP) will be encouraged to hire laid-off US workers and/or justify reasons before hiring non-US workers under the H-1B visa program.

Compensation

Companies receiving TARP funds must agree to have limits placed on top executives' compensation, depending on the amount of funding received. These points are a brief overview of changes from the Act. Employer Advantage is committed to providing clients with up-to-date information and guidance concerning business operations.

WOTC Updated

The American Recovery and Reinvestment Act of 2009 expanded the tax credit for 2009 and 2010 to include Unemployed Veterans and Disconnected Youth. Unemployed Veterans must have received 4 or more weeks of unemployment during the year in which they are hired AND have been released from active duty within the last 5 years.

Disconnected Youths are individuals between 16 and 25, who have not been regularly employed or in school during the previous six months, and are not readily employable due to lacking a number of basic work skills.

If you need more information on these new groups, or would like more information about the WOTC and how it would help your business, contact your Human Resources Representative at Employer Advantage.

To Administer or Not to Administer

That is the benefit question

Administering your own insurance plans just got harder. With the COBRA and State Continuation changes announced this week, many employers are scratching their collective heads about re-offering COBRA, calculating the 9 month time frame, (or the State timeframe) tracking plan payments and taking tax credits.

The Benefits Department of Employer Advantage provides administration of benefit plans for clients, including new enrollments, plan changes, collection, payment of premiums, bill reconciliation, claims assistance and COBRA. This service is at no additional charge to clients.

If you would like to relieve yourself or someone at your company of this responsibility, contact the Benefits Department or Human Resources Department to assist in making a seamless change to less worry and more time for your business. Call Employer Advantage at 800-467-3909 or email benefits@employeradvantage.com for more information.

W-5s Help Put Money in Pockets

The EITC is a tax credit for certain people who work and have low wages. A tax credit usually means more money in their pocket. It reduces the amount of tax owed. The EITC may also give eligible employees a refund.

In the next few weeks, Employer Advantage will be distributing EITC information flyers to employers. To participate in EITC, employees need to complete a W-5 (found on the website or available from Payroll) and turn it in to Employer Advantage.