



Your Advantage

News and information to help you and your business succeed

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Employer Advantage announces

Employer Advantage is pleased to welcome **Diana Griffith** as a Document Imaging Specialist.

She began working with the EA Technology Department on August 30, 2010. She has previous experience in this position with The Nolan Company of Kansas City, MO.

Happy Payroll Week – September 6-10, 2010.

National Payroll Week celebrates the hard work by America's 156 million wage earners and the payroll professionals who pay them. Together, through the payroll withholding system, they contribute, collect, report and deposit approximately \$1.7 trillion, or 71.9%, of the annual revenue of the U.S. Treasury.

Mark your calendar.

Daylight Savings time ends November 7, 2010.

Health Plan Changes Under PPACA

The interim final rules for the PPACA (Patient Protection and Affordable Care Act) issued on June 17, 2010 have clarified the changes that can be made to health plans without losing grandfathered status.

Compared to their policies in effect on March 23, 2010, grandfathered plans:

- **Cannot Significantly Cut or Reduce Benefits:** A plan cannot decide to stop providing care for a previously covered group, such as: diabetes, cystic fibrosis or HIV/AIDS.
- **Cannot Raise Co-Insurance Charges:** These must remain the same as what was in place as of March 23, 2010.
- **Cannot Significantly Raise Co-Payment Charges:** In order to remain grandfathered, plans cannot increase co-pays more than the greater of: \$5.00 or the percentage equal to medical inflation plus 15 percent.
- **Cannot Significantly Raise Deductibles:** Deductibles cannot be raised more than a percentage equal to medical inflation plus 15 percent.
- **Cannot Significantly Lower Employer Contributions:** Plans may decrease the employer contribution, but by no more than 5 percent.
- **Cannot Add or Tighten an Annual Limit on What the Insurer Pays:** Plans cannot tighten any annual dollar limit in place as of March 23, 2010. Plans that do not have an annual limit cannot add a new one unless they are replacing a lifetime dollar limit with an annual dollar limit that is at least as high as the lifetime limit.
- **Cannot Change Insurance Companies:** However, self insured plans may change TPAs.

Plans that have made any of these changes after March 23, 2010 will be considered to be "Non-Grandfathered" and will need to comply with the PPACA updates and changes.

Non – Grandfathered Plans

For plans renewing September 23, 2010 or later, Non-Grandfathered plans will need to implement the following with their renewal:

- Recommended preventative services with no cost sharing.
- ER services treated as in-network.
- Patients to have access to OB/GYN and pediatricians without referrals.
- Coverage of adult children will go to age 26.
- Employer contribution and non-discrimination rules will apply to renewals.

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All Plans

Changes that apply to ALL plans as of September 23, 2010 for next renewal period:

- No lifetime limits on treatment.
- Cannot take away coverage retroactively if an employee/dependent made an unintentional error on an application.
- No pre-existing limits on children up to age 19.

Employer Advantage continues to monitor required changes for health care plans and notices. The Benefits Team of Employer Advantage administers clients' health care plans to ensure compliance with the changes in PPACA. If your company's plan currently is not administered by Employer Advantage, please contact the Benefits Team or your HR Professional for more information.

What is the EEO-1 Report?

The Equal Employment Opportunity Report is an annual report that is filed by employers who are subject to Title VII and

- have 100 or more employees or
- are federal contractors with 50 or more employees and contracts of \$50,000 or more.

Employer Advantage files the EEO-1 report for clients who meet these qualifications.

Who uses the report?

Both the Equal Employment Opportunity Commission (EEOC) and Office of Federal Contract Compliance Programs (OFCCP) have used the EEO-1 report since 1966. The EEOC uses the data for research and analysis of employment patterns. The OFCCP uses the statistical assessment of EEO-1 data to select facilities for visits.

The EEOC is responsible for enforcing federal discrimination laws including:

- Title VII of the Civil Rights Act of 1964
- The Equal Pay Act of 1963
- The Age Discrimination in Employment Act of 1967
- Title I of the Americans with Disabilities Act of 1990
- Sections 501 and 505 of the Rehabilitation Act of 1973
- The Pregnancy Discrimination Act

The OFCCP is responsible for enforcing regulations for "federal contractors" or entities that have 50 or more employees and provides at least \$50,000 in products or services to a federal agency or contractor of a federal agency.

Common data problems

One of the most common errors on the EEO-1 Report is placing employees into the "unknown" category. Workers must be classified in the following categories:

- Hispanic or Latino
- White (not Hispanic or Latino)
- Black or African American (not Hispanic or Latino)
- Native Hawaiian or Pacific Islander (not Hispanic or Latino)
- Asian (not Hispanic or Latino)
- American Indian or Alaskan Native (not Hispanic or Latino)
- Two or More Races (not Hispanic or Latino)

Sometimes workers wind up as "unknown" because the new employee did not self-identify his or her race/ethnic category or gender on the new hire packet. Employees cannot be forced to self-identify, so the manager will need to make a determination based on a visual survey. It may make managers feel better to know that the visual survey is required by law if the employee chooses not to self identify.

Questions

If you have questions about the EEO-1 report or whether your company is subject to the reporting requirements, please contact your Human Resource Professional at Employer Advantage.

State Unemployment Insurance Funds Debt Continues to Grow

By late summer of this year, 31 states have borrowed nearly 40 billion dollars from the federal government to replenish empty state unemployment funds. This recession has seen more borrowing than ever before and economists are projecting it to continue or even increase by the end of 2010.

The ability for states to borrow from the federal government for unemployment insurance began in the 1930s by FDR. By allowing states to control their own trust funds, they have more flexibility to govern the funds and to determine if they need loans from the federal government in times of great need. The federal government allows states to borrow funds interest-free for up to a year and currently the federal stimulus package has also put a moratorium on charging interest until December 2010. If the moratorium is not continued, states that have not repaid their debts could see interest rates of more than 4 percent on the loans. In addition to the interest rates, if the loans are not repaid by November 2011, employers in those states will lose a part of the federal tax credit they usually receive.

The National Association of State Workforce Agencies (NASWA) said in 2010, 35 states have already increased their business tax rates and seven states have increased the portion of employee income on which businesses must pay taxes in order to fix the problem. Raising taxes and the employee tax base may solve the problem long term, but some states, such as Florida and Indiana have repealed the increases this year.

STATES BORROW TO PAY UNEMPLOYMENT

Since the current recession began, 31 states have borrowed just under \$40 billion from the federal government to fill their depleted unemployment trust funds. Starting next year, these states will have to pay interest on that money as the stimulus winds down.

STATE	BORROWING PER CAPITA	TOTAL BORROWING
Alabama	\$60.10	\$283 million
Arizona	\$6.50	\$33 million
Arkansas	\$114.50	\$331 million
California	\$205.46	\$7.5 billion
Colorado	\$40.87	\$203 million
Connecticut	\$141.67	\$498 million
Delaware	\$14.58	\$13 million
Florida	\$86.98	\$1.6 billion
Georgia	\$42.32	\$416 million
Idaho	\$130.94	\$202 million
Illinois	\$173.47	\$2.2 billion
Indiana	\$272.00	\$1.7 billion
Kansas	\$31.28	\$88 million
Kentucky	\$184.30	\$795 million
Maryland	\$23.48	\$134 million
Massachusetts	\$58.74	\$387 million
Michigan	\$382.57	\$3.8 billion
Minnesota	\$120.39	\$635 million
Missouri	\$120.60	\$722 million
Nevada	\$178.24	\$465 million
New Jersey	\$200.92	\$1.8 billion
New York	\$162.57	\$3.2 billion
North Carolina	\$253.31	\$2.4 billion
Ohio	\$200.49	\$2.3 billion
Pennsylvania	\$238.69	\$3.0 billion
Rhode Island	\$214.08	\$225 million
South Carolina	\$194.39	\$887 million
Texas	\$57.19	\$1.4 billion
Vermont	\$52.52	\$33 million
Virginia	\$44.01	\$347 million
Wisconsin	\$251.96	\$1.4 billion

Source: The Council of State Governments