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The HR resource every business needs

The "Total" Advisor

2011

June

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2012 Health Savings Account Limits Released

New "I-9 Central" Online Resource Helps Employers Understand Form I-9 Requirements for Verifying Employment Eligibility

[U.S. Citizenship and Immigration Services](#) (USCIS) has launched [I-9 Central](#), a new online resource center dedicated to [Form I-9, Employment Eligibility Verification](#). This free, easy-to-use website builds on recent employment-related enhancements by providing employers and employees simple one-click access to resources, tips and guidance to properly complete Form I-9 and better understand the Form I-9 process.

Completing the Form I-9

By law, all U.S. employers must verify the identity and employment eligibility of every employee they hire to work in the United States, regardless of the employee's immigration status. To comply with the law, employers are required to complete [Form I-9, Employment Eligibility Verification](#), for all employees, including U.S. citizens. Employers must keep these forms for three years after the date of the hire or one year after the date the individual's employment is terminated, whichever is later. Employers who fail to properly complete, retain, or make available for inspection Forms I-9 as required by law may face costly financial penalties. Companies that hire or continue to employ individuals knowing they are not



The Internal Revenue Service (IRS) has released the [2012 inflation adjusted amounts](#) for [Health Savings Accounts](#) (HSAs) as determined under the Internal Revenue Code.

Background on HSAs

An HSA is a health savings account (a tax-exempt trust or custodial account) set up exclusively for paying qualified medical expenses. To be eligible to have contributions made to an HSA, an individual must be covered under a high deductible health plan (HDHP) and meet certain other [eligibility requirements](#).

An HSA may receive contributions from an eligible individual or any other person, including an employer or a family member, on behalf of an eligible individual. Contributions, other than employer contributions, are deductible on the eligible individual's return whether or not the individual itemizes deductions. Employer contributions are not included in income. Distributions from an HSA that are used to pay qualified medical expenses are not taxed.*

Annual Contribution Limitation

For calendar year 2012, the annual limitation on HSA deductions for an individual with self-only coverage under a high deductible health plan is **\$3,100**.

authorized to be employed in the United States are also subject to civil and criminal penalties.

New I-9 Central Can Help

The [I-9 Central](#) online resource provides employers with enhanced, easy-to-access guidance for understanding and complying with the Form I-9 process, including sections regarding:

- Employer and employee rights and responsibilities;
- Step-by-step instructions for completing the form; and
- Information on acceptable documents for establishing identity and employment authorization.

[I-9 Central](#) also includes a discussion of common mistakes to avoid when completing the form, guidance on how to correct errors, and answers to employers' recent questions about the Form I-9 process.

Additional Form I-9 Resources Available

The launch of [I-9 Central](#) follows the introduction by USCIS of other important employment-related resources, including:

- [E-Verify Self Check](#), a service launched in March that allows workers and job seekers in the United States to check their own employment eligibility status online (currently available in limited states only); and
- An updated "[Handbook for Employers: Instructions for Completing Form I-9](#)," published earlier this year.

USCIS also offers [free webinars](#) on completing Form I-9.

For more information related to verifying employment eligibility, please see the HR360 page covering the [Immigration Reform and Control Act](#).

OSHA Recordkeeping Advisor Helps Employers Understand Reporting Obligations for Work-Related Injuries and Illnesses

The U.S. Department of Labor's Occupational Safety and Health Administration (OSHA) has developed a new online tool called the [OSHA Recordkeeping Advisor](#) to help employers understand their responsibilities to report and record work-related injuries and illnesses under the OSHA regulations.



The [OSHA Recordkeeping Advisor](#) is written in plain language and is intended to help employers, especially small business employers, determine:

- Whether an injury or illness (or related event) is work-related;
- Whether an event or exposure at home or on travel is work-related;
- Whether an exception applies to the injury or illness:

The annual limitation on HSA deductions for an individual with family coverage under a high deductible health plan is **\$6,250** for calendar year 2012.

High Deductible Health Plan

For calendar year 2012, a "high deductible health plan" is defined as a health plan with an annual deductible that is not less than \$1,200 (no change from calendar year 2011) for self-only coverage or \$2,400 (no change from calendar year 2011) for family coverage, and the annual out-of-pocket expenses (deductibles, co-payments, and other amounts, but not premiums) do not exceed **\$6,050** for self-only coverage or **\$12,100** for family coverage.

To view Revenue Procedure 2011-32, please [click here](#). You can learn more about HSAs in the HR360 section on [Health Savings Accounts](#).

**Note that, under the new Affordable Care Act requirements, only medicines or drugs that are prescribed (including over-the-counter medicines or drugs obtained with a prescription) or insulin are considered qualified medical expenses for HSA purposes for amounts paid after 2010. Additionally, for HSA distributions after 2010, the additional tax on distributions not used for qualified medical expenses is increased to 20%.*

Comments Requested on Shared Responsibility Requirements for Employers Regarding Health Coverage

- Whether a work-related injury or illness needs to be recorded; and
- Which provisions of the regulations apply when recording a work-related case.

The Advisor presents various questions and relies on employer responses to determine the appropriate course of action. Please note that some employers may be exempt from OSHA's recordkeeping rules, for example those with [10 or fewer employees](#) during the previous calendar year and those [classified in specific industries](#). Employers in [states with OSHA-approved state plans](#) should contact their states for information on state-specific exemptions.

For more information on OSHA's recordkeeping requirements, please visit the HR360 Safety & Wellness -- [OSHA Recordkeeping](#) section.

Determining Exempt vs. Non-Exempt Employees

The [Fair Labor Standards Act](#) (FLSA) is a federal law which requires that most employees in the United States be paid at least the federal minimum wage for all hours worked and overtime pay at time and one-half the regular rate of pay for all hours worked over 40 in a workweek. The FLSA exempts some employees from its overtime pay and minimum wage provisions, and it also exempts certain employees from the overtime pay provisions only. As a result, it is very important to properly classify your employees as exempt or non-exempt.

Job Title Alone Not Sufficient to Determine Status

According to the [U.S. Department of Labor](#) (DOL), neither job titles nor job descriptions determine the exempt or non-exempt status of an employee. Rather, whether any particular employee is exempt (not entitled to the minimum wage and overtime pay protections of the FLSA) is based on whether the employee's compensation and specific job duties meet all the requirements of the regulations for the particular exemption claimed.

Exemption for Executive, Administrative, Professional, Computer and Outside Sales Employees

One of the more commonly used exemptions under the FLSA exempts from both minimum wage and overtime pay protections bona fide [executive, administrative, professional and outside sales employees, as well as certain employees in computer-related occupations](#). To qualify for exemption, an employee generally must be paid on a salary basis of no less than \$455 per week and perform certain types of work that:

- Is directly related to the management of his or her employer's business, or
- Is directly related to the general business operations of his or her employer or the employer's clients, or
- Requires specialized academic training for entry into a professional field, or
- Is in the computer field, or
- Is making sales away from his or her employer's place of business, or
- Is in a recognized field of artistic or creative endeavor.

Hourly paid employees who perform certain types of work in the computer field may qualify for exemption if they are paid at a rate of not less than \$27.63 per

The Treasury Department (Treasury) and the Internal Revenue Service (IRS) are [requesting public comment](#) on issues relating to the shared responsibility provisions included in the [Affordable Care Act](#) that will apply to certain employers starting in 2014.

Under the [Affordable Care Act](#), employers with 50 or more full-time employees that do not offer affordable health coverage to their full-time employees may be required to make a shared responsibility payment. The law specifically exempts small firms that have fewer than 50 full-time employees. This provision takes effect in 2014.

Request for Comments

[Notice 2011-36](#) requests public input and comment on several issues that will help the Treasury and the IRS provide information to employers on how to comply with the shared responsibility provisions through future guidance, including:

- Possible approaches employers could use to determine who is a full-time employee;
- How the Departments of Treasury, Labor, and Health and Human Services should interpret and apply the provisions of the Affordable Care Act that limit the ability of plans and issuers to impose a waiting period for health coverage of longer than 90 days starting in 2014; and
- How guidance under the 90-day provisions should be coordinated with the rules the Treasury and IRS will propose regarding the shared responsibility provisions.

The deadline for comments is June 17, 2011.

hour.

FLSA Overtime Security Advisor

To help employers identify those workers who are entitled to the minimum wage and overtime pay protections of the FLSA, the DOL maintains an interactive, web-based tool called the [FLSA Overtime Security Advisor](#). Based on the information you supply in response to various questions, the Overtime Security Advisor provides general guidance on the executive, administrative, professional, computer or outside sales exemption that may apply to a particular employee.

Note that the FLSA contains several other [exemptions](#) from the minimum wage and/or overtime pay protections which are **not** covered in this Advisor.

Various minimum wage exceptions may also apply under specific circumstances to [workers with disabilities](#), [full-time students](#), [youth under age 20](#) in their first 90 consecutive calendar days of employment, tipped employees and student-learners.

The DOL has set new records for aggressive Wage and Hour enforcement. As an employer, if you need help to ensure that your workers are properly classified, please call the Wage and Hour Division at 1-866-487-9243.

Employee Recruiting Success -- Developing an Effective Recruiting Program

A successful recruiting program is essential to attracting and selecting qualified candidates to join your company's workforce and positioning your business for growth. The key to successful recruiting of new employees is the development of a systematic process for developing job descriptions, generating a pool of qualified applicants, and selecting the right candidate.

Developing an Effective Recruiting Program

The following are the significant steps involved in building a successful program for recruiting new employees.

Before Recruiting Process Begins

- Before recruiting, consider ways to improve efficiency and divide or allocate additional responsibilities among existing staff to accomplish the workload.
- Organize a planning meeting with the hiring manager and/or relevant staff to determine needs, timing and other recruitment issues.
- Decide whether your budget will allow for the hiring of a new employee to fill the position.

Recruitment Process Tips

- Perform a detailed job analysis to identify the necessary skills, knowledge, and abilities for each position.
- Create your job description and selection criteria based on the most current information available and modify these materials as necessary.
- Design your recruitment plan in terms of promoting the job opening and generating a qualified pool of applicants.

Additional Information

You may review the entire request for comments, including the specific input solicited and instructions for how to submit comments, by [clicking here](#). To read more about employer responsibilities under the Affordable Care Act, please visit the HR360 [Health Care Reform](#) section.

- Establish a process for interviewing candidates that will provide as much information as possible about an applicant's potential to perform the duties of the position.
- Develop a process for selecting the best candidates.
- Avoid any discriminatory inquiries or statements during the recruiting and interview process.

Additional guidelines and resources to help you build a successful recruitment and hiring strategy may be found in the HR360 [Recruitment & Hiring](#) section.

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