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	The HR resource every business needs <b>The "Total" Advisor</b> November 2011
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**Deadline for Employers to Post New Employee Rights Notice Delayed Until Jan. 31, 2012**

## Changes to 2012 Limits on Qualified Transportation Benefits and Other Tax-Related Items Due to Inflation



The Internal Revenue Service (IRS) has [announced a number of inflation adjusted tax items for 2012](#), including the amounts excludable from gross income for certain employer-provided transportation benefits. By law, the dollar amounts for a variety of tax provisions must be revised each year to keep pace with inflation.

### Qualified Transportation Fringe Benefits

The monthly limit on the value of the qualified transportation benefits exclusion for qualified parking provided by an employer to its employees for 2012 rises to \$240, up \$10 from the limit in 2011. However, the temporary increase in the monthly limit on the value of the qualified transportation benefits exclusion for transportation in a commuter highway vehicle and transit pass provided by an employer to its employees expires and reverts to \$125 for 2012.

### Other Items of Interest

Other inflation adjusted items for 2012 that may be of interest to employers and employees include:

- The value of each personal and dependent exemption, available to most taxpayers, is \$3,800, up \$100 from 2011.
- The new standard deduction is \$11,900 for married couples filing a joint return, up \$300, \$5,950 for singles and married individuals filing separately, up \$150, and \$8,700 for heads of household, up \$200. Nearly two out of three



## Employee Rights Under the National Labor Relations Act

The National Labor Relations Board (NLRB) enforces the rights of employees to organize and bargain collectively with their employers. For a general overview of the NLRB's jurisdiction, visit our [Employee Rights](#) page. For more information on the NLRB's jurisdiction, visit our [Employee Rights](#) page. For more information on the NLRB's jurisdiction, visit our [Employee Rights](#) page.

**Under the NLRB, you have the right to:**

- Organize or join a union to represent you in bargaining with your employer over wages, hours, and other terms and conditions of employment.
- Engage in collective bargaining.
- Participate in the grievance process if your employer has a contract with your union.
- File a charge with the NLRB if you believe your employer has violated your rights.
- Participate in a union election if you are eligible to do so.
- Participate in a union election if you are eligible to do so.

**Under the NLRB, it is illegal for your employer to:**

- Interfere with, restrain, or coerce you in exercising your rights.
- Discriminate against you for exercising your rights.
- Retaliate against you for exercising your rights.
- Refuse to bargain in good faith with your union.
- Refuse to provide information necessary to the NLRB to carry out its duties.
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**Under the NLRB, it is illegal for a union to:**

- Interfere with, restrain, or coerce you in exercising your rights.
- Discriminate against you for exercising your rights.
- Retaliate against you for exercising your rights.
- Refuse to bargain in good faith with your employer.
- Refuse to provide information necessary to the NLRB to carry out its duties.
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**Remember, you have the right to:**

- Participate in a union election if you are eligible to do so.
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The National Labor Relations Board (NLRB) has [postponed the implementation date](#) for its new [notice-posting rule](#) by more than 2 months in order to allow for enhanced education and outreach to employers, particularly those who operate small and medium sized businesses. The new effective date of the rule is January 31, 2012.

### New Deadline for Employers to Display Employee Rights Poster

As a result of the postponement, most private sector employers will be required to post the [11-by-17-inch notice](#) beginning on **January 31, 2012**. The notice is available at no cost from the NLRB through its website, either by [downloading and printing](#) or [ordering a print by mail](#).

The decision to extend the rollout period followed questions from businesses and trade organizations indicating uncertainty about which businesses fall under the NLRB's jurisdiction, and was made in the interest of

taxpayers take the standard deduction, rather than itemizing deductions, such as mortgage interest, charitable contributions and state and local taxes.

- Tax-bracket thresholds increase for each filing status. For a married couple filing a joint return, for example, the taxable-income threshold separating the 15-percent bracket from the 25-percent bracket is \$70,700, up from \$69,000 in 2011.
- For tax year 2012, the maximum earned income tax credit (EITC) for low- and moderate- income workers and working families rises to \$5,891, up from \$5,751 in 2011. The maximum income limit for the EITC rises to \$50,270, up from \$49,078 in 2011. The credit varies by family size, filing status and other factors, with the maximum credit going to joint filers with three or more qualifying children.
- Annual deductible amounts for Medical Savings Accounts (MSAs) increased from the tax year 2011 amounts. The minimum annual deductible increases to \$2,100 for self-only coverage and \$4,200 for family coverage, and the maximum annual deductible increases to \$3,150 for self-only coverage and \$6,300 for family coverage. The maximum out-of-pocket expenses limit increases to \$4,200 for self-only coverage and \$7,650 for family coverage.

### For More Information

Details on these and other inflation adjustments can be found in [Revenue Procedure 2011-52](#). To learn more about the tax consequences of various employer-provided benefits, visit our [Employee Benefits](#) section and click on your topic of interest in the left-hand navigation menu.

## Uncovering Recent Trends in Employer-Sponsored Health Coverage: New Survey Includes Findings Related to Health Care Reform

ensuring broad voluntary compliance.

According to the NLRB, no other changes in the rule, or in the form or content of the notice, will be made.

#### **Additional Information**

For further information about the jurisdiction and posting requirements for the new notice, please see the NLRB's [Frequently Asked Questions](#), which will be updated regularly as new questions arise. For questions that do not appear on the list, or to arrange for an NLRB presentation on the rule, employers may contact the agency at [questions@nlrb.gov](mailto:questions@nlrb.gov) or 866-667-NLRB.

Our section on [Federal Poster Requirements](#) contains more information on this and other federal notices required to be displayed in the workplace.

### **Social Security Benefits to Increase in 2012**

Monthly Social Security and Supplemental Security Income (SSI) benefits will **increase 3.6 percent in 2012**, the [Social Security Administration](#) has announced. The 3.6 percent cost-of-living adjustment (COLA) will begin with benefits that Social Security beneficiaries receive in January 2012, while increased payments to SSI beneficiaries will begin on

Premium costs, eligibility, employee contributions, cost-sharing provisions, and retiree and wellness benefits are among the topics in private health insurance analyzed by the annual [2011 Employer Health Benefits Survey](#), released in September by the Kaiser Family Foundation and Health Research & Educational Trust. Participating employers in this year's survey also responded to questions relating to several provisions of the health care reform law affecting employer-sponsored coverage that became effective in 2010.



Highlights of the survey's findings with respect to health care reform include:

- 72% of firms surveyed reported having at least one grandfathered plan (grandfathered plans that existed as of March 23, 2010 and have not made changes which significantly reduce benefits or increase out-of-pocket spending for employees may be exempt from certain Affordable Care Act requirements).
- A higher percentage of small firms (those with less than 200 workers) reported sponsoring a grandfathered plan than did larger firms.
- 19% of small firms and 70% of larger firms reported enrolling at least one adult child of an employee who would not have been eligible for plan coverage prior to the Affordable Care Act's requirement that plans extend dependent coverage to age 26 (grandfathered plans do not need to comply with this requirement for adult children who have another offer of employer-based coverage until 2014).
- Changes in cost-sharing for preventive services and the services that are considered preventive as a result of the new Affordable Care Act requirements were also reported and varied by firm size (these requirements do not apply to

December 30, 2011.

The purpose of the COLA is to ensure that the purchasing power of Social Security and SSI benefits is not eroded by inflation. It is based on the percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) from the third quarter of the last year a COLA was determined to the third quarter of the current year. There was [no COLA in 2010 and 2011](#) because the CPI-W, as determined by the Bureau of Labor Statistics in the Department of Labor, for those years did not increase above the level of the third quarter of 2008, the last year a COLA was determined.

Some other changes that take effect in January of each year are based on the increase in average wages. Based on that increase, the maximum amount of earnings subject to the Social Security tax (taxable maximum) will increase to \$110,100 from \$106,800.

#### **For More Information**

A [fact sheet](#) is available showing the effect of the various automatic adjustments. You can also review [additional information regarding how the COLA is calculated](#). To learn more about Social Security benefits, please visit our section on [Social Security](#).

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### **Affordable Care Act's CLASS Program for Long-Term Care**

grandfathered plans).

- 29% of firms with fewer than 50 employees that offer health coverage reported attempting to determine eligibility for the small business health care tax credit.
- One-half of firms with fewer than 50 employees that do not currently offer coverage reported being aware of the tax credit, with 15% of those firms indicating they are considering providing health insurance due to the credit.

A total of 2,088 randomly selected, non-federal public and private firms with 3 or more employees responded to the full [2011 Employer Health Benefits Survey](#). A wide range of industries is represented in the survey, including service, health care, manufacturing, retail, and finance. Survey data was collected between January and May of 2011.

[More details and survey results](#) are available from the Kaiser Family Foundation. You may also view the [press release](#). For more information and guidance on developing your employee benefits package, visit our section on [Benefit Planning](#).

## **Many Retirement Plan Limits Will Change for 2012**

The Internal Revenue Service (IRS) has [announced cost of living adjustments affecting dollar limitations for pension plans and other retirement-related items](#) for tax year 2012. In general, many of the pension plan limitations will change for 2012 because the increase in the cost-of-living index met the statutory thresholds that trigger their adjustment. However, other limitations will remain unchanged. Highlights include:

- The elective deferral (contribution) limit for employees who participate in 401(k), 403(b), and most 457 plans is increased from \$16,500 to \$17,000.
- The catch-up contribution limit for those aged 50 and over remains unchanged at \$5,500.
- The deduction for taxpayers making contributions to a traditional IRA is phased out for singles and heads of household who are covered by a workplace retirement plan and have modified adjusted gross incomes between \$58,000 and \$68,000, up from \$56,000 and \$66,000 in 2011. For married couples filing jointly, in which the spouse who makes the IRA contribution is covered by a workplace retirement plan, the income phase-out range is \$92,000 to \$112,000, up from \$90,000 to

## Benefits Suspended

In a [letter to Congress dated October 14, 2011](#), the Secretary for the [U.S. Department of Health & Human Services](#) (HHS) announced that there is currently no viable path forward for implementation of the [Community Living Assistance Services and Supports](#) (CLASS) program.

Established under the [Affordable Care Act](#), the CLASS program was intended to operate as a voluntary, federally administered insurance program through which eligible enrollees would receive benefits to purchase long-term care services and supports necessary to live independently in the community.

The law required the HHS Secretary to design a benefit plan that would be actuarially sound and financially solvent for at least 75 years.

The Secretary's [letter to Congress about the CLASS program](#) is available for viewing online. You may also read the full HHS report, [A Report on the Actuarial, Marketing, and Legal Analyses of the CLASS Program](#). For more on the Affordable Care Act, please visit our section on [Health Care Reform](#).

\$110,000. For an IRA contributor who is not covered by a workplace retirement plan and is married to someone who is covered, the deduction is phased out if the couple's income is between \$173,000 and \$183,000, up from \$169,000 and \$179,000.

The Internal Revenue Code provides for dollar limitations on benefits and contributions under qualified retirement plans, and requires that the Commissioner annually adjust these limits for cost of living increases. Other limitations applicable to deferred compensation plans are also affected by these adjustments. The limitations that are adjusted generally will change for 2012 because the increase in the cost-of-living index met the statutory thresholds that trigger their adjustment.

Effective January 1, 2012, the limitation on the annual benefit under a defined benefit plan is increased from \$195,000 to \$200,000. The limitation for defined contribution plans is increased in 2012 from \$49,000 to \$50,000.

The press release includes [more details on both the adjusted and unchanged limitations](#). You may also view the IRS [cost-of-living-adjustment table](#). For more on retirement planning in general, please visit our section on [Retirement Plans](#).

## 3 Things to Consider When Creating a Flextime Policy

Flexible hours, also called "flextime," are schedules in which employees spend a portion of their workday onsite, and the rest from home or another location. For example, a flextime schedule might require an employee to work onsite from 9:30 a.m. to 2:30 p.m., and complete his or her work for the day from somewhere else.

The federal [Fair Labor Standards Act](#) (FLSA), which governs minimum wage and overtime pay for most employees, does not address flexible work schedules. Alternative work arrangements are a matter of agreement between the employer and the employee.

### What to Consider When Developing a Flextime Policy

If you decide that flextime is a good fit for one or more of your employees, you should create and distribute an official employer policy on alternative work schedules. Among other considerations, you should address the following 3 issues when crafting your flextime policy:

- Which employees are eligible for flextime

(management, sales, or others);

- What hours employees are required to work onsite; and
- Whether prior approval is required from management or human resources.

Your flextime policy should be included in your company's employee handbook, so that it is received by all employees who are or may become eligible for the alternative work schedule.

#### **Benefits of Flexible Hours**

Through the availability of smart phones and wireless Internet, the amount of work employees can complete offsite has grown significantly. Utilizing available technology for this purpose can increase productivity and even expand the geographic area in which a business operates. Employees working offsite can also better attend to family and personal matters, improving their work-life balance and in some cases reducing the need for a leave of absence.

Creating a virtual workplace that allows a company to offer a flextime schedule can result in a number of significant benefits, including:

- Saving money on workspace;
- Retaining valuable employees;
- Bringing on outside project teams;
- Expanding visibility; and
- Increasing efficiency and productivity.

Check out our section on [Workforce Planning](#) for more ideas on how to build a workforce that will support the growth and success of your company.

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