



HUMAN RESOURCES UPDATE

VOL 9, ISSUE 6

IT'S HOLIDAY SEASON! (ALSO FLU SEASON!)

With the concern about the H1N1 flu virus abounding, companies should have a plan in place to communicate how the organization will deal with a flu outbreak in the office. While we have not seen the widespread outbreaks that some anticipated, flu season is not over. Many companies (39%) are providing or underwriting the cost of all employees who wish to be vaccinated. The vaccine is reasonably priced and can now be accessed in a number of places.

The first piece of communication should be a firm directive to all employees that they should stay home from work if they experience flu symptoms. One person out of work is manageable; if half the staff is out due to one ill employee spreading their virus, company productivity can come to a standstill. Managers must be diligent in sending workers home who are exhibiting symptoms of illness. Warn employees that there are bogus "flu cures" on the market that are not effective and are a waste of money.

Don't sweat the small stuff such as sick pay. It's less expensive than having to pay multiple temp employees and/or overtime. Also, keep in mind that legislation is being considered that will mandate paid sick time in 2010.

PAID HOLIDAYS POLICY

Does your company have a policy that states employees must work 90 days before being eligible for paid holidays? While it is safe to implement that policy with non-exempt employees, the same may not apply to exempt employees. According to the Fair Labor Standards Act, deducting a day's pay from an exempt employee who has worked any portion of the week in which that holiday occurs and who is not able to work because the business is not operating on that day is in violation of FLSA. This presents another reminder that job classification must follow the FLSA and be supported by the job description.

WHAT'S IMPORTANT TO EMPLOYEES?

Recent research from Hay Group once again underscores that pay, even in hard economic times, is not the chief satisfier or motivator for employees. In fact pay is not even in the top five items. The things that keep talented employees engaged and committed to staying with the organization are:

1. Use of my skills and abilities.
2. Ability of management
3. Company sense of direction
4. Advancement opportunities
5. Opportunities to learn new skills
6. Coaching and counseling from supervisor/manager
7. Pay
8. Training

Of the items listed above, note that a majority of them are provided (or not) by competent managers. Remember, employees don't leave the company, they leave their boss. Are your managers trained?



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IRS MILEAGE REIMBURSEMENT RATE DROPS FROM 55¢ PER MILE TO 50¢ PER MILE IN 2010. PLEASE BE CAREFUL HOW YOU COMMUNICATE THIS TO YOUR EMPLOYEES. IF YOU CHOOSE TO KEEP THE 55¢ RATE, THE EXTRA 5¢ PER MILE IS TAXABLE INCOME TO YOUR EMPLOYEES.

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**HUMAN RESOURCES
BUSINESS SOLUTIONS**

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ARRA COBRA EXTENSION PASSED

As part of the 2010 appropriations bill for the Defense Department, President Barack Obama signed into law on December 21, 2009 an extension to the subsidy for COBRA created by the American Recovery and Reinvestment Act (ARRA) from February 2009. Highlights are below:

- Employees involuntarily terminated through February 28, 2010 (instead of December 31, 2009) qualify for the COBRA subsidy.
- Eligible employees may qualify for 15 months of the subsidy (instead of 9).
- Those who were previously eligible for the subsidy and have exhausted their 9 months, may retroactively be credited and the employer may retroactively obtain the tax credits.
- Those who were previously eligible for the subsidy, exhausted the 9 months, and didn't continue COBRA because of an inability to pay the full COBRA premium may retroactively re-enroll and catch up the payments, if they do so by the later of February 19, 2010, or 30 days from receipt of a new required notice.
- Employers must send out an updated notice to those to all individuals who were or are assistance-eligible individuals on or after October 31, 2009, or who are terminated from employment on or after October 31, 2009. In addition, the Act requires special notice to those assistance-eligible individuals who either dropped COBRA or paid the full premium for it when their nine-month subsidy ended, explaining that they are now eligible either to reinstate their coverage retroactively at the subsidized rate or to receive a credit or refund if they paid more than the Act would have required.

THE HUMOROUS SIDE OF THE HOLIDAYS

“Once again, we come to the holiday season, a deeply religious time that each of us observes, in his own way, by going to the mall of his choice.” -Dave Barry

“Christmas is the season when you buy this year’s gifts with next year’s money.” -Unknown

Christmas brings enormous electric bills. Candles are used for Hanukkah. Not only are we spared enormous electric bills, but we get to feel good about not contributing to the energy crisis.
-Koach.org

“No self-respecting mother would run out of intimidations on the eve of a major holiday.” -Erma Bombeck

“In the old days, it was not called the Holiday Season; the Christians called it ‘Christmas’ and went to church; the Jews called it ‘Hanukkah’ and went to synagogue; the atheists went to parties and drank. People passing each other on the street would say “Merry Christmas!” or “Happy Hanukkah!” or (to the atheists) “Look out for the wall!” -Dave Barry

“New Year’s Resolution: To tolerate fools more gladly, provided this does not encourage them to take up more of my time.” -James Agate

“I made no resolutions for the New Year. The habit of making plans, of criticizing, sanctioning and molding my life, is too much of a daily event for me.” -Anais Nin

“Youth is when you’re allowed to stay up late on New Year’s Eve. Middle age is when you’re forced to.” -Bill Vaughn

And, on a more sincere note ...

“As we struggle with shopping lists and invitations, compounded by December's bad weather, it is good to be reminded that there are people in our lives who are worth this aggravation, and people to whom we are worth the same.” - Donald E. Westlake

Please accept our sincere thanks for your confidence in The Hopkins Group in 2009. We wish each of you a wonderful holiday season and a prosperous 2010!