



IN THE KNOW

Insight Into HR News



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And the survey says...

Attract & Retain Quality Employees
with a Company Sponsored Retirement Plan

Katie Peters, Retirement Plan Specialist

62% of employees would change jobs for a similar position that offers a retirement plan.

When designing a benefit package, employers may be overlooking one key component—a company sponsored retirement plan. The results of the eighth annual Transamerica Retirement Survey showed that employers continue to underestimate the value that employees put on retirement benefits. The data also showed how a lack of communication in the workplace regarding benefits, compensation and investment education can make it difficult for employees to get the information they need to plan for retirement.

By not offering a company sponsored retirement plan as part of a complete benefit package, employers may find it increasingly difficult to attract and retain talent in the marketplace. The survey found that fifty-six percent of employers believed employees would choose a higher salary over excellent retirement benefits, while only 34 percent of employees agreed with that statement. It also showed that among employees whose company does not offer a retirement plan, 62 percent of employees said that they would leave their job for a similar position with an employer that offers a retirement plan.



Please see

“Why Employers Should Not Underestimate the Value of a Retirement Plan” Page 3

Want an easy way to network with other small businesses?
Connections—a new way to link with other EMPO clients

At EMPO, we know the value of partnering with other businesses. That's why we have created a new program called Connections that will enable our clients to talk with, learn about, and partner with each other. Initially, Connections will offer three programs.

Web-based Client Directory: This directory will be accessible from a secured page on EMPO's Web site. All current clients will be included unless they opt out. Each client's listing will include contact name, company, industry, phone number and Web site. More information about your listing and the directory will be sent to you soon. The directory is scheduled to be online by September 1.

Co-op Marketing Package: In this program, clients can distribute promotional information to clients and prospects who attend EMPO's educational seminar beginning with our September 20th seminar. More information on this opportunity will be available later this summer.

Employee Discount Program: This program is aimed at offering discounts or specials exclusively to the employees of EMPO's clients. This program will begin in December 2007.

Watch your e-mail for more information on all opportunities. For more information, feel free to email your account manager or tswanson@empocorp.com.



EMPO Clients Continue to Find Educational Seminars Helpful with Practical Applications

Carol E. Gilson, VP HR & Client Services

“Preparing and Conducting Performance Reviews (for both excellent and wayward employees)” was the topic of EMPO’s Client Educational Breakfast Seminar on June 7th at the Calhoun Beach Club. More than 60 attendees participated and learned many practical strategies to implement in their own companies. Several evaluative comments from attendees stated that they found the seminar to be “very helpful” and “they gave practical applications to use in our organization.”

To briefly summarize the seminar, one very important part of the broad term of “performance management” is the performance appraisal process. Because we consider performance appraisals to be extremely important, we dedicated the entire seminar to focus on this subject.

The segments covered were:

- Definition, purpose and importance of performance appraisals
- How to prepare for and conduct performance reviews (including a set of applicable forms)
- Timing of appraisals (anniversary or common date) and legal considerations
- A group exercise case study which included:
 - One skit that demonstrated the performance review of a wayward employee, by an ill-prepared supervisor
 - The second skit that demonstrated the performance review of an excellent employee by a well-prepared supervisor
- A high-level overview of the 360-degree review process
- Impact of performance on compensation (pay for performance concept)
- Some problems with performance appraisals
- Positive effects performance management can have on the success and profitability of your company

If you would like a copy of the Power Point slides or other related materials, please contact any member of our HR team.

Mark Your Calendar!

Don’t Miss EMPO’s Next Seminar: “Effective Communications & Conflict Resolution”



Communication is the essential link that connects all aspects of an organization. The strength, or weakness, of that connection can dramatically impact your company’s bottom line. It affects retention and recruitment; it influences morale and productivity; it shapes employees’ perceptions about their jobs, their company and their role in achieving organizational goals.

Additionally, whenever people are working together, conflict will occur. If, however, communications are effective, it will minimize conflict. How conflict is handled and resolved can be critical to the success of the employee and to the working relationship with supervisors and co-workers—and ultimately to the company’s bottom line.

Please mark your calendar to join us for this interactive seminar: “Effective Communications and Conflict Resolution” on Thursday, September 20th; continental breakfast at 8:00; seminar from 8:30–11 a.m at the Minneapolis Golf Club in St. Louis Park. You will receive an electronic invitation and directions in early August.



Federal Minimum Wage Increases

Scott Andreassen, Senior HR Consultant

The minimum wage bill has been passed by Congress and signed into law by the President with an effective date of July 24, 2007. It raises the Federal minimum wage from \$5.15 to \$5.85 per hour. Some states, such as Minnesota, have enacted their own minimum wage legislation. Whichever law is more generous to the employee is the law that must be followed in setting minimum wage. For example, in Minnesota the minimum wage is \$6.15 per hour; that rate is the official minimum wage in Minnesota until the Federal minimum increases again in July 2008 to \$6.55 per hour and once again in July 2009 to \$7.25 per hour.

The Federal Department of Labor (DOL) released the approved poster language for the new minimum wage on July 3, 2007. Because the poster language was only approved last week, the new posters are still being printed and distributed. An electronic poster file is included with this newsletter for you to post immediately. Print it and place the temporary poster over the Federal Minimum Wage section of your current poster. As soon as we receive the new consolidated posters, we will distribute a set to each PEO and ASO client. If you have any questions on the new legislation or on the posters, please contact your HR representative.

Why Employers Should Not Underestimate the Value of a Retirement Plan

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Implementing a retirement plan is only one part of the solution. Employers need to commit to opening the lines of communication regarding retirement benefits. The survey overwhelmingly showed that employees are looking to their employers to help them plan for retirement. Fifty seven percent of employees surveyed stated they would like to receive more information and advice from their employer on how to reach their retirement goals. The passage of the 2006 Pension Protection Act created many opportunities for employers to offer the tools and resources their employees desire.

When it comes to designing and administering a company sponsored retirement plan, there are many options. Let EMPO's experienced team help you design a retirement plan and education program that will benefit both you and your employees. For more information, please contact Katie Peters at 612-285-6250.

Did you know...

that EMPO offers many custom HR services?

For a copy of our HR Services Brochure
visit www.empocorp.com/events_and_articles.html

If you have ideas for topics or information that you would like to see included in a future newsletter, please email lgoold@empocorp.com.

The Family and Medical Leave Act (FMLA): What EMPO's PEO Clients Need to Do to Comply

Jeanne Obert, HR Representative

FMLA, enacted in 1993, provides certain employees with up to 12 workweeks of unpaid, job protected leave a year, and it requires group health benefits to be maintained during the leave as if the employee continued to work instead of taking leave.

Eligibility:

To be eligible for FMLA Leave, an employee must work for a "covered" employer (most EMPO PEO clients constitute a "covered" employer) and

- have worked for that employer for at least 12 months; and
- have worked at least 1,250 hours during the 12 months prior to the start of the FMLA leave;
- (other requirements may apply to some companies).

Leave Entitlement:

A "covered" employer must grant an eligible employee up to a total of 12 workweeks of unpaid leave in a 12-month period for one or more of the following reasons:

- Birth of a child and/or to care for a newborn child;
- Placement of a child with the employee for adoption or foster care and to care for the newly placed child;
- Care for an immediate family member (spouse, child, or parent) who has a serious health condition; or
- When the employee is unable to work because of a serious health condition.

What EMPO's PEO clients need to do to comply with FMLA:

- Notify the Leave Administrator at EMPO when you know an employee has missed or will miss three or more consecutive days of work, whether for FMLA, personal, parental leave, bone marrow donation, or military leave.
- Inform EMPO of intermittent time or partial days that are taken by the employee as FMLA can be spread out over a longer period of time, i.e., on an intermittent or on a reduced schedule basis.
- Inform EMPO when the employee returns to work.
- Upon return from leave, restore the employee to his or her original job or to an equivalent job with equal pay, benefits, and other terms and conditions of employment.

In order for EMPO to legally protect its PEO client companies, it is important that all of the steps above are followed. If the above steps are not followed, EMPO may not be legally liable for any actions taken in regard to those leaves.

EMPO will:

- Determine if the employee would initially qualify for FMLA
- Respond to both the employee and worksite employer within two (2) days after the leave is known. Included in the letter to the employee will be a "Request for Leave of Absence" form and a "Certification of Health Care Provider" form.
- Track the time taken so that the employee legally receives his or her full 12 workweeks of leave
- Send "Notice of Intent to Return from Leave" form to the employee two weeks prior to the intended date of return for the employee to have the doctor authorize.
- Maintain all necessary leave records.

What the employee of EMPO's PEO client needs to do:

- Complete and return the "Request for Leave of Absence" form and arrange to have the health care provider complete and return the "Certification of Health Care Provider" form to EMPO within 15 days of the date that the letter was sent to the employee.
- Update the Leave Administrator regularly (frequency will be specified in the correspondence from the Leave Administrator) on the status of the reason for leave.
- Submit to the employer prior to returning to work a "Notice of Intent to Return From Leave" form signed by the health care provider stating that the employee is fully physically able to perform his or her job responsibilities and duties. Without this notice from the health care provider, the employee will not be allowed to return to work.

More detailed information on the complex FMLA law can be found at <http://www.dol.gov/esa/whd/fmla/>

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