



IN THE KNOW with EMPO

DECEMBER 6, 2005

VOLUME 1, NUMBER 4

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Insight Into HR News With EMPO! December 2005



In This Issue You'll Find:

- **New Minnesota Workers' Compensation Rules**
- **401(k) Participation**
- **2006 SUTA Rates**
- **Holiday Parties: It's Good To Have Them, but... Employers Should Proceed With Caution**

Is there a subject that you would like to know more about in a future newsletter? Please feel free to send me an email and let me know at lgoold@empocorp.com

New Minnesota Employee Leasing Rules **Workers' Compensation**

Many states have been making revisions to their Workers' Compensation rules to properly address the role of Professional Employer Organizations (PEOs) in obtaining Workers' Compensation insurance for their clients. In recent years, states have been moving to separate client policies (known as multiple-coordinated policies) and disallowing any master policies or pooling at the PEO level. Minnesota changed their Workers' Compensation rules for PEOs (and their clients) effective January 1, 2006.

Beginning with your Workers' Compensation policies renewing on or after January 1, 2006, you will see some changes to your policies.

- ◆ All of your WC policies will be issued in **both** EMPO's name **and** the client's name, with a PEO addendum on the policy.
- ◆ Your WC experience will be retained in your name, and all experience you have had previously under a PEO pooling arrangement will be included in calculating your new experience modifier.
- ◆ EMPO will be responsible for remitting the down payment and additional payments for all Workers' Compensation policies. EMPO will continue to bill you for Workers' Compensation premiums as your payroll progresses, thereby relieving you of the cash flow needed for large, up-front payments.
- ◆ EMPO already has separate client policies with many leading Workers' Compensation carriers.

*The highest reward for
your work is not
what you get for it,
but what you
become by it.*
-John C. Maxwell



*Success seems to be
connected with
action. Successful
people keep moving.
They make
mistakes, but they
don't quit.*
-Conrad Hilton



*There are two types of
people who never
achieve much in
their lifetime. The
person who won't do
what he is told, and
the person who does
no more than he is
told.*
-Andrew Carnegie



- ◆ EMPO also already has an established relationship with RJF Agencies, a leader in the Safety Consulting arena. This proactive approach to safety allows you to lower your experience modifier and your future Workers' Compensation premiums.
- ◆ Because of our established relationships and positive track record, some of our carriers can provide reduced rates. Some of these carriers can offer savings of 15-20% over other carriers' rates.

As EMPO is well positioned for these new Minnesota Workers' Compensation rules, we are proactively seeking ways to leverage our best practices to enhance our current offerings to you. Stay tuned; we will be visiting with you during the first quarter 2006.

By: Jonathan Hall



401(k) Participation

With the holiday season in full swing, it can be easy to get caught up in the festivities and forget about your retirement planning, but with the New Year comes a new opportunity for you and your employees to start saving for retirement. EMPO's 401(k) Team would like to remind you that open enrollment for January 1, 2006 begins December 1st and will extend through December 31st. Starting the first week of December, letters will be going out to all newly eligible participants to introduce them to the program and provide them with information on how that can enroll. Helping you promote the 401(k) program is one of our top priorities. Please contact our program manager Katie Peters at 612.285.6250 to learn more about tools and resources available to you pertaining to 401(k).

For those employees who are currently participating in the 401(k), the New Year brings with it new savings limits for the 2006 plan year. Below are the employee savings limits for 2006 as outlined by the IRS:

Elective Deferral Limit	\$15,000
Catch-Up Limit for Employees 50+	\$ 5,000

If you have not recently visited Transamerica's website which can be located at www.ta-retirement.com they have made some exciting enhancements.

Lastly as you may have heard the IRS has recently announced a plan to roll out a Roth 401(k) Plan beginning January 2006. In an effort to bring you the highest level of service EMPO is working with Transamerica to evaluate the potential to make this option available through EMPO's existing 401(k) Profit Sharing Plan. Please stay tuned for more information regarding this potential new feature early next year.

Should you have any questions regarding the information above, please contact Katie Peters at 612.285.6250.

By: Katie Peters



2006 State Unemployment Tax Rates

EMPO has been notified by the State of Minnesota that final State Unemployment Tax Rates for 2006 will not be available until around December 15, 2005. As soon as we are made aware of the effective rates, we will relay the information to each of our client companies.

