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Karen Burrage

Administrative Assistant

Joanne Jobs

HR Specialist/Administrative Assistant

Nou Vang

Client Account Coordinator

Jay Ward

Director of HR Services

Scott Andreassen

HR Consultant/OD Specialist

Dan Baltzer

HR Consultant

Annelise Larson

Payroll Specialists

Stacy Berres

Nan Foster

Payroll Tax Specialist & Processor

Deborah Lofquist

Benefits Specialists

Jacqueline Bowker

Yia Song

Retirement Plan Specialist

Katie Peters

Safety Consultant & Trainer

James Browning

Accounting

Judy Messing

Business Development

Lori Goold

Miriam Gutzmann

Operations Manager

Jill Porter

Controller

Michael Kraemer

VP of Sales & Marketing

Terri Swanson

VP of Finance & Compliance

Dan Fouberg

VP of Operations

Jodi Goda

VP of HR & Client Services

Carol Gilson

President & CEO

Alan Reid



The Employee Free Choice Act (EFCA)

Scott Andreassen, Director of HR Services

What is EFCA? The Employee Free Choice Act (EFCA) was introduced in both the US Senate and the US House on March 10, 2009. The proposed legislation is identical to a version that passed the House last year during the Bush Administration, and stalled in the Senate. In the last Presidential election, President Obama and the Democratic Party made its passage part of its campaign theme; in a recent taped address to the AFL-CIO, President Obama stated that "we will pass the Employee Free Choice Act." In follow-up statements to the AFL-CIO leadership, Secretary of Labor Hilda Solis stated that the Department's view towards organized labor would change, and was quoted as saying "there's a new sheriff in town."

In brief, the EFCA eliminates the secret ballot election, and replaces it with the union's choice on whether to ask for a vote or to simply certify the union once more than 50% of the employees in the targeted bargaining unit (or entire company, depending on the union's focus) sign authorization cards. Throughout the remainder of this article, I will refer to the target unit/company as a bargaining unit. In addition, I will make the assumption that the EFCA, as proposed in both the Senate and House, will pass as it is currently written.

Present law allows a union to request a secret ballot election, administered by the National Labor Relations Board (NLRB) if it obtains signatures from at least 30% of the employees in the bargaining unit. If a union obtains at least 50% of the signatures from employees in the bargaining unit, a private sector company has the choice on whether to call for a secret ballot election or simply to recognize the union and begin negotiating a contract. Most companies will choose to call for an election and then spend the 42 days allowed by law (the pre-election period) to present its position to the company's employees. History has shown that the company will win about 75% of elections held when it can present its position before a vote. If the union does win the election, the company must enter negotiations with the union about wages, benefits, retirement, working conditions, discipline, termination, and other matters. Negotiations typically take about six to twelve months before a contract acceptable to both parties can be reached. *(Article continued on page 2)*

"ALL-STAR" BOARD CELEBRATES POSITIVE DIFFERENCE

Recently, our EMPO Employee Solutions Team introduced a simple idea that has made a big impact in our office—the "EMPO All-Stars" recognition board. We use the board to post a quick "Yo," "Yay," "Woo-Whoo" or "Thank You" to fellow team members who make a positive difference in our day. Within only a few days, our board began filling up with notes that are as fun to read as they are to add. For the minimal cost of some decorative note paper and stickers, our EMPO All-Stars board has proven to be a highly effective tool for encouraging a positive office culture! We are so pleased with the result we thought we would pass along the idea!



The Employee Free Choice Act (EFCA) (continued from page 1)

The EFCA provides for immediate recognition of a union after it can muster at least 50% of the signatures of the bargaining unit's employees asking for a union, and then presents the employer with a document requesting certification. Past union practices have shown that in the absence of a secret ballot, some employees are coerced into signing, or sign the card just to get the union organizer(s) to stop asking for their signature. For this reason, large labor unions do not usually go to a company with the signature cards until they have received signatures from at least 70% of the bargaining unit's employees; history has shown that many will not vote for the union once the company has presented its position to the employees and the vote is taken in secret. A 70% majority will typically be enough to get the union certified with at least 50% of the secret ballot votes being pro-union.

Under the EFCA, once a union asks the NLRB to certify it (this is guaranteed if they can present cards signed by over 50% of the bargaining unit's employees), the company and the union must begin negotiations within 10 days. Negotiations must be concluded within 90 days; if they are not (and the company and union do not agree to a time extension), the Federal Mediation and Conciliation Service will be asked to intervene for 30 days. If these two efforts are unsuccessful, then the contract can be sent for mandatory arbitration; in this scenario, it is possible that neither the employees nor the company will end up with a contract to their liking. Any arbitrated contract will remain in force for two years before it can be re-negotiated—even if both sides would like to re-open negotiations earlier.

The imposition of a contract on a business is sufficient grounds for many employers to oppose passage of this act, but there is more. The EFCA provides for punitive damages on employers (triple the current damages for wrongful discharge of an employee involved in the organizing campaign, fines of \$20,000 for each unfair labor practice, and mandatory injunction proceedings for campaign-related issues). No such damages are assessed if the union engages in unfair labor practices. Additionally, the EFCA puts an employer at a significant disadvantage, as it eliminates the 42-day pre-election period that has historically allowed the employer to present its viewpoint to its employees. The final major disadvantage to the EFCA from the employer's viewpoint is that while it eliminates the secret ballot and 42-day pre-election period on the front end, it does not allow employees an equal opportunity to rid themselves of a union on the back end by signing cards; the viewpoint of the unions and those who introduced the legislation is that a vote to remove the union from the workplace can only be done via a secret ballot after allowing the union an opportunity to present its viewpoint to the employees.

It is EMPO's position that an employee should be allowed to freely choose whether he or she wishes to be represented by a union by means of a secret ballot election. Further, it is our position that any company can best prepare itself for the passage of the EFCA, in either its present form or an altered form, by ensuring that its employees are properly paid, properly trained, provided with an adequate benefits package, and have above-average supervisors. It could be the company's supervisors who ultimately determine, by their treatment of their employees, whether a company becomes a target of a union organization campaign or not. For this reason, the company should invest time and money to ensure that supervisors are trained to provide encouragement and feedback to their employees, and not to simply manage by exception—catching the employees only when they do something wrong, but leaving them alone when there is nothing to correct. A company should also identify any other potential workplace problems and correct them if possible. Finally, identify any potential bargaining units; for example, is there a department of the company that is always grumbling? Perhaps it is the entire company? Target those areas with your analysis of what can be done better, and you will go a long way towards keeping your workplace union-free.

How Can EMPO Help You? A Professional Employer Organization (PEO) such as EMPO is an organization that assists its client companies with human resources, payroll, benefits, retirement accounts, and much more. When a company partners with a PEO, the PEO is considered the employer-of-record for all employees, and the company is considered the worksite employer. Although this helps mitigate risk regarding employee relations issues, there are no provisions under law that prevent a PEO's employees from belonging to a union; therefore, a PEO is not a means to keep a union at bay. However, a PEO can help keep a company's employees more satisfied with a more generous benefits package and training opportunities than many companies can provide or afford on their own.

If and/or when the EFCA legislation is passed, we will keep you apprised. In the meantime, feel free to contact me or any of EMPO's HR Consultants for assistance or additional information on this topic.



Notes from EMPO University

MARCH 18 SEMINAR RECAP

“UNDERSTANDING AND MANAGING EMPLOYEES UNDER THE NEW ADA”

EMPO's first 2009 complimentary breakfast seminar entitled “Understanding and Managing Employees Under the New ADA” was held on Wednesday, March 18.

This is a significant new amendment to the law that will impact nearly every employer. Because we believe it's so important for you and your supervisory personnel to be aware of the changes and how they will impact your business, we engaged Jessica Roe, a highly respected employment attorney, who provided an interactive training session on how not to connect an impairment or perceived impairment with an employment decision to ultimately best protect your organization. Other recent changes in the laws were also discussed.

If you were not able to attend the seminar but desire copies of the handouts, please contact our receptionist at 612-285-8707.

JUNE 17 SEMINAR

“ENGAGED EMPLOYEES ARE THE KEYS TO SUCCESS”

Engaged employees are a business' greatest asset. In these challenging times when employees are highly distracted by personal, economic and global issues, how do we effectively engage our employees to drive a business forward? How can we refocus and energize all employees' efforts to business success?

This seminar will deliver:

- a success formula for fostering employee engagement
- tools for focusing employee engagement
- six ways of keeping employees engaged
- research & leading practices

Watch for your e-invite to “Engaged Employees are the Keys to Success”!

Introducing EMPO's Web-Based HR Solutions

BACKGROUND CHECKS • DRUG & ALCOHOL TESTING • I-9 PROCESSING • PERFORMANCE & TIME MANAGEMENT

In EMPO's effort to go green and to help our clients conserve time and resources, we proudly announce several new web-based HR solutions to streamline and create efficiencies within your business. Check our Web site and contact us today for more information!



2009 ARRA Premium Assistance for COBRA Benefits

Stacy Berres, Payroll/Benefits Specialist

On February 17, 2009, President Obama signed into law the American Economic Recovery and Reinvestment Plan Act (ARRA). In addition to other spending and stimulus measures, the act expands COBRA in ways that although temporary, will impact employers. Most significantly, the ARRA offers "assistance eligible individuals" a 65% subsidy of their required COBRA premiums for a maximum of nine months as well as an additional enrollment period within which to elect COBRA coverage.

COBRA benefits were originally enacted in 1985 to provide workers who lost health benefits the ability to continue coverage for a period of time and under certain circumstances. Prior to the stimulus package, employers were generally required to give former employees the opportunity to continue health insurance coverage for up to 18 months after termination of employment. Each former employee was required to pay the full cost of the health insurance coverage up to 102% of the monthly premium.

An "assistance eligible individual" is any person who loses health coverage as a result of being involuntarily terminated on or after September 1, 2008, but on or before December 31, 2009, and the person's adjusted gross income is \$125,000 or less (\$250,000 if married and files a joint tax return).

Individuals terminated on or after September 1, 2008, whether they have elected COBRA or not have a new election period. These employees have 60 days after receiving the new COBRA notice during which they may elect COBRA coverage at the subsidized rate. The COBRA coverage starts effective with the first period of coverage (e.g., the first calendar month) beginning after February 17, 2009. The special election period does not extend the period of COBRA continuation coverage beyond the original maximum period (generally 18 months from the employee's termination date). The period of non-coverage may not be counted toward any pre-existing condition exclusion.

The ARRA requires employers to amend COBRA notices to inform all individuals who become eligible for COBRA between September 1, 2008, and December 31, 2009, of the following:

- A description of the eligibility rules for the 65% subsidy;
- An eligible individual's right to make a COBRA election even if COBRA was initially declined;
- The option to elect other same premium or lower-premium coverage, if available (optional);
- How the subsidy may be elected;
- An explanation of an individual's obligation to notify the plan of eligibility for other group plan coverage.

Under the ARRA, the employer is responsible for 65% of the COBRA premium, but the employer can be reimbursed for the 65% when reporting its payroll taxes. In order for the employer to receive the reimbursement, it will need to include a list of its assistance eligible employees and the amount of the premium assistance paid by the employer as part of its payroll tax reporting obligations. Form 941 has been revised by the IRS to include the assistance payments.

Additional references: www.dol.gov/COBRA www.irs.gov

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A MESSAGE FROM EMPO'S EMPLOYEE SOLUTIONS TEAM SHARING EMPO'S INTERNAL EFFORTS WITH YOU!*

Miriam Gutzmann, Business Development Manager

EMPO is delighted to be actively engaged in figuring out what it means to be genuinely green. We are humble participants in the process because there's a lot to figure out. In EMPO's steps to sustainability, the Metropolitan Economic Development Association (MEDA) has been instrumental in facilitating the process, and it challenges us to walk our talk, to say what we mean, and mean what we say.

Earlier this year, MEDA connected EMPO to Select Source International (SSI), which is currently conducting a sustainability study for us. We're looking at every process and procedure. We're reviewing our supply chain. We're asking ourselves in a systematic way if we're engaging in earth-friendly, people-friendly and success-friendly practices. We're investing time and money in this study because we expect a solid return on investment. We'll reduce costs, improve efficiency, add capacity and strengthen our focus on customer-facing, revenue-generating, business-growing activities. We're already seeing this return on investment.

Walking along side this effort are our grass roots employee-driven initiatives. A primary example is our EMPO Employee Solutions Team. We're a group of customer-facing staff members who are responsible for service delivery in a variety of ways. We come from every department, and we represent every component of EMPO's operations. Every voice is at the table. We brainstorm, generate and implement ideas, identify challenges and offer solutions to those challenges.

The EMPO Employee Solutions Team interacts in deliberate and dynamic ways with our Executive Team. We use a model that is collaborative, flat, transparent and open. This model leverages the talent, experience, expertise and creativity that every staff member offers our organization. We're learning to be a stronger team and a truer team.

We work on initiatives such as work environment flexibility. This means taking a close look at two essential business tools: time and physical environment (our office space). How do we spend our time? Are there ways we can be more flexible about where, when and how staff completes their work? We want to help our team members better manage the demands on their time both inside and outside the office, so that work and home are not viewed as diametrically opposed to one another. We're trying to work smarter, not harder.

In looking at our physical environment, we're asking if it meets the needs of all staff members. There's a wide range of personality styles, work styles and work functions at EMPO. Is our physical space conducive to our team being energized, innovative, focused, functional and productive? We want our office to enhance overall corporate wellness. We are going to be moving furniture and making things better.

These steps aren't easy. It takes time, money, commitment, persistence, patience, lots of questions—and furniture moving. EMPO is a living, breathing example of just how valuable the process is.

We're learning. From our trusted advisors. From each other. From our clients and other external partners. We're learning from our mistakes and we're learning from our successes. We're enhancing and expanding our HR services as a result.

These steps allow EMPO to offer a "greener, cleaner" supply chain solution on the HR side. We're investing in technology. We're improving our electronic solutions so that we can reduce both paper and time consumption for our clients and for ourselves. We're investing in our people. We're working smarter.

We invite other businesses to outsource their HR to EMPO so that they can focus on their core competencies. We can make the business case for doing so because we're practicing this ourselves. We're working hard to walk our talk. To challenge ourselves to do the very thing we challenge other business owners to do. Focus on customer-facing, revenue-generating, business-growing activities. Lower your costs. Improve your efficiency. Add to your capacity. Grow your business. Use earth-friendly, people-friendly, success-friendly practices to grow your business. Collaboration is key. It's a Win! Win! Win!

*Article crafted from a recent speech delivered by Miriam Gutzmann.

DEVELOPING LEADERSHIP SKILLS AT ALL LEVELS IN YOUR ORGANIZATION

Article 3: Engaged Employees Are the Keys to Success

Dan Baltzer, HR Consultant, OD Specialist



In these challenging times when employees are bringing problems from home and the concerns of "what is happening" in the economy and the world into the work place, how do we effectively engage our employees in driving the business forward? Because everyone is incredibly distracted by these events, how can we refocus and energize all employees' efforts to business success?

The most impactful way to drive employee engagement, especially when there is such ambiguity in the market, is to connect the motivational efforts directly to the employee's essential deliverables. The employee deliverables then must be clearly aligned to business objectives and success.

The "success" formula is

1. Clearly defined business objectives/outcomes (what success looks like)
2. Clearly defined employee objectives/outcomes (how the employee directly contributes to the business success)
3. Giving immediate and meaningful feedback to employees as they are delivering they objectives/outcomes (so that employees know that they are on track and adding value)

One exercise that we use is to have each business unit or department, identify all of it's deliverables and sort them on the Mission Critical / Return On Investment Matrix©. This identifies what core deliverables for the department to focus upon and work to enhance. After the department finishes its matrix, each staff person can do one for their own work to ensure that they are aligned with the department as a whole.

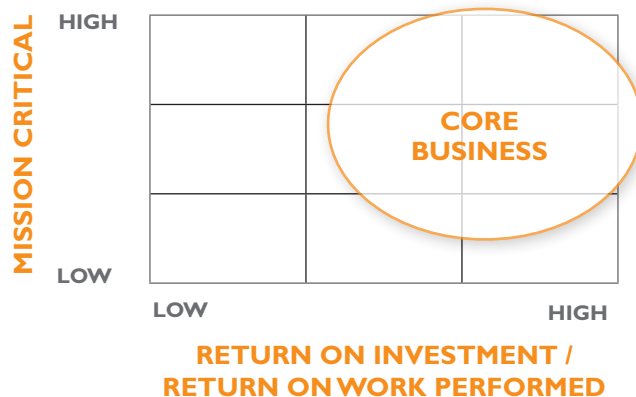
Once employee objectives are aligned to business deliverables, it is critical to keep employees engaged in the organization.

Recent Gallup research states:

- Employee engagement can be the difference between a company surviving or struggling.
- Organizations with more than 4 engaged employees for everyone actively disengaged saw 2.6 times more growth earnings per share than others.
- Six ways to engage employees:
 1. tell employees what you expect from them
 2. make sure employees have the right materials & equipment
 3. give opportunity for employees to do what they do best
 4. don't forget to give recognition and praise
 5. let your employees know you care about them
 6. keep encouraging their development

In closing, stay focused on the professional relationships and customer relationships as we go through these challenging times. It is through these relationships that your business actually delivers. Engaged employees are the business' greatest asset.

This will be the topic of our June 17 seminar. Watch for your e-invite in the coming weeks.



If you have ideas for topics or information that you would like to see included in a future newsletter, please e-mail Kate Douma at kdouma@empocorp.com.