



July, 2010

Vital Business Solutions Newsletter

Employee Entitlement Attitude Part One

Entitlement attitudes can come from different sources: employees have different perspectives on work ethics, the working society has come to expect more from employers, and employees do not often receive disclosure of fringe benefits and what employers are to provide by law. These are among the reasons that employees may feel that they have the right to certain benefits from their employers.

Which benefits are legally required?

Legally, an employer is required to contribute to the two mandatory social insurance programs - Social Security and Medicare (split equally between employer and employee), Federal and State unemployment insurance, and, in most states, provide workers compensation insurance. In some states, employees may be required to contribute to unemployment insurance. (*BLS)

There may be other benefits requirements depending on the state in which you operate. For example, The District of Columbia's Family and Medical Leave Act ("DCFMLA") entitles DC government employees and eligible private sector employees up to 16 work weeks of medical leave and 16 weeks of family leave for a qualifying event. In May, 2010, the Office of Human Rights updated the Updated Regulations for the DC Family and Medical Leave Act ([Read detail here](#)). In addition, with the new [Affordable Care Act](#), there may be further requirements for employers. Please visit [Healthcare.gov Small Employers page](#) for information. Finally, check with your individual state for regulations regarding mandatory benefits.

What is monitored?

If an employer chooses to provide optional benefits, then these benefits may be monitored for compliance with Employee Retirement Income Security Act ([ERISA](#)) and by Employee Benefits Security Administration ([EBSA](#)).

An employer can help employees understand the organization's level of commitment to optional benefits by providing full compensation statements, including the employer's contribution and the employee's contribution laid out side by side. Full disclosure should go a long way in curbing the entitlement attitudes of staff.

Helpful reading: BLS News Release

Employer Cost for Employee Compensation (March 2010)

<http://www.bls.gov/news.release/pdf/ecec.pdf>

*[BLS Occupational Outlook Quarterly, 2005](#), Retrieved 7/2010.

Are You Up to Date?

Over the past year, there have been new employment laws and updates made to existing ones. How up to date are you? Below is a list of some of the laws that may apply to you as an employer. Consult your legal counsel for a comprehensive list or for more information on the laws. You can also choose to work with our team by calling 202-832-1388 or email us at info@vitalbusinesssolution.com.

New/Updated Employment Law	Description
New Tax Benefits Are Now Available To Employers	6.2 percent payroll tax incentive if employers hire unemployed and part-time workers after Feb. 3, 2010 and before Jan. 1, 2011.
Business Credit for Retention of Certain Newly Hired Individuals in 2010	This is a general business credit to encourage retention of the new hires. The amount of the credit is the lesser of \$1,000 or 6.2 percent of wages if an employer retains an employee for 52 consecutive weeks, provided that the employee's pay does not decrease significantly in the second half of the year.
GINA Genetic Information Nondiscrimination Act (GINA) of 2008	Protects Americans against discrimination based on their genetic information when it comes to health insurance and employment. The President signed the act into law on May 21, 2008, which took effect on November 21, 2009. <i>EEOC will propose to amend its current title VII and ADA recordkeeping regulations to address recordkeeping obligations under the Genetic Information Nondiscrimination Act.</i>
FMLA Amendments "Final Rule"	Effective January 16, 2009, Final Rule provides "additional job-protected leave rights to eligible employees of covered employers who provide care for covered service members with a serious injury or illness and because of qualifying exigencies arising out of the fact that a covered military member is on active duty or has been notified of an impending call or order to active duty in support of a contingency operation." Fact Sheet: Military Family Leave Entitlements
COBRA	The Unemployment Compensation Extension Act of 2010 signed by the President on July 22, 2010, did not extend the COBRA premium reduction. More on COBRA under ARRA
Form I-9 Changes	All documents presented during the verification process must now be unexpired. Order copies of the revised Form I-9 by calling USCIS at 1-800-870-3676 or download Form I-9 at our VBS site .
E-Verify required for Contractors and Sub-contractors	E-Verify became mandatory for

	Federal contract employers as of September 8, 2009.
Americans with Disabilities Act Amendments Act (ADAAA)	The ADAAA became effective on January 1, 2009. ADAAA made significant changes to the ADA's definition of "disability" that broadens the scope of coverage under both the ADA and Section 503 of the Rehabilitation Act. OFCCP
Fair Credit Reporting Act - the Red Flags Rule	Developed to reduce the risk of identity theft, The Red Flag Rule became effective on January 1, 2008. The enforcement of Rule has been delayed to Rule through December 31, 2010.

Hennrietta Smith, President
Vital Business Solutions, Inc.
202-832-1388
hsmith@vitalbusinesssolution.com
www.vitalbusinesssolution.com

The information provided in this newsletter is for awareness only and not intended as legal or tax advice. Please consult with your legal counsel and/or tax or payroll professional on legal and tax matters.