

# HRS/TND ASSOCIATES, INC.

Your HR and Benefits Specialists

## The HR-Edge May Edition

### CRITICAL ALERT TO PA SMALL EMPLOYERS Mini COBRA, Major Pain

Pennsylvania will soon become the newest state to offer State COBRA Continuation. This change will affect virtually all small PA employers. Employers who sponsor health insurance plans and have 2 to 19 employees will now be subject to COBRA continuation rules similar those imposed on larger employers by the Federal Law. "Mini-COBRA", as it is known, is a state-specific COBRA policy enacted by State law. House Bill 1089 and Senate Bill 442 will be combined into one final state act. Legislators have indicated that they intend to have the final form of the act on the governor's desk by the end of the month.

While details are not finalized, the latest version of the bill, which goes into effect 30 days after it is signed by Governor Edward G. Rendell, reads as such:

- ◆ Requires employers who employ 2-19 employees and offers health insurance to offer COBRA
- ◆ Only applies to Medical Plans (does not include HRAs, FSAs, dental, or vision)
- ◆ To be eligible, an employee must have been on the employer's insurance for at least 3 months prior to the qualifying event
- ◆ COBRA qualifying events remain the same as those under Federal regulations
- ◆ Eligible for COBRA coverage lasting up to 9 months
- ◆ Employers (or their designated administrator) are responsible for notification to eligible individuals
- ◆ Assistance Eligible Individuals are included in State COBRA
- ◆ Employers may charge up to 105% of the medical premium
- ◆ Timeline for getting out notices differs from federal COBRA

What does this mean to you? Well if you offer health insurance to your employees, and you never offered COBRA before, it means quite a lot. You must provide proper notification, work closely with your insurance carrier and/or broker, know COBRA and ARRA law, create a system to handle premium collection, be aware of COBRA timelines, and understand everything else COBRA entails!

HRS intends to schedule a seminar for employers to explain the full ramifications of the law as soon as it is passed. We expect to hold the seminar on a Tuesday morning Cabela's in Hamburg. There will be a nominal registration fee to cover materials and breakfast. If you wish to be considered for invitation to this seminar, email us at [hrguys@hrstndassociates.com](mailto:hrguys@hrstndassociates.com).

Don't want the hassle? Contact Sean Glasser at 610-371-9505 x28 for more detailed information on mini-COBRA and how we can take that challenge off your hands. Sean has been handling COBRA for over 60 clients and is more than willing to add your company too. You can also reach Sean by emailing [cobra@hrstndassociates.com](mailto:cobra@hrstndassociates.com)

Welcome to the May edition of the HR-Edge. As was the case last month, there is so much hot HR news right now and so little time to report it. We submit this abbreviated edition to "catch you up" on news as we see it.

### **New Employee Verification Act reintroduced in the House.**

With President Obama taking steps to address comprehensive immigration reform in the coming months, a bipartisan bill (H.R. 2028) that would reform the nation's approach to worksite enforcement was introduced on April 22, 2009, by Representatives Sam Johnson (R-Texas) and Gabrielle Giffords (D-Ariz). Called the New Employee Verification Act (NEVA), the bill proposes a mandatory electronic employment verification system that would eliminate the Form I-9, the current method of verifying employment eligibility, as well as the federal government's voluntary, web-based E-Verify program, which allows employers to verify that their employees are authorized to work in the United States. NEVA would also replace a growing patchwork of conflicting state laws regarding employment verification.

**VOLUME 8, ISSUE 9, 5/11/09**

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Please feel free to talk to any of our consultants for clarification of any information provided and visit our website for details about HRS at [www.hrstndassociates.com](http://www.hrstndassociates.com)

### **Employee Free Choice Act introduced in Congress**

The Employee Free Choice Act (EFCA) was introduced in the House and Senate on Tuesday, March 10, a measure that, according to its sponsors, "would help enable workers to bargain for better wages, benefits, and working conditions by restoring their rights to form unions." HRS feels that the bill strips Americans from the protection of the sacred Secret Ballot in union choice elections.

Since 1935, workers have been allowed to form a union either through majority sign-up or through a formal election conducted by the National Labor Relations Board. This bill removes a worker's anonymity in the election process. In addition, employers would lose the right to request that a Board election be held.

EFCA has three key provisions: (1) card-check, which would give workers the choice of whether to form a union through majority sign-up or through the National Labor Relations Board election process; (2) remedies, in which EFCA would increase penalties against employers that illegally fire or discriminate against workers for their union activity during an organizing or first contract drive; and (3) first-contract arbitration, in which an employer and union may refer a dispute to the Federal Mediation and Conciliation Service (FMCS) for mediation.

HRS has prepared an educational program designed for managers and supervisors. For more information contact Tom Dondore, SPHR at [tom@hrstndassociates.com](mailto:tom@hrstndassociates.com).

***HRS/TND Associates just keeps growing, thanks to our terrific clients! We appreciate these new clients choosing our services:***

- ◆ All Star Distributing
- ◆ OZ Properties

### **HIPAA Hints**

Were you aware that any company offering a company sponsored health plan has the requirement to assign a Privacy Officer, have a written privacy policy manual and maintain a secure environment for employees' medical records? If you don't have a policy you are not in compliance.

Questions, or need help developing your policies contact Tom Dondore at [tom@hrstndassociates.com](mailto:tom@hrstndassociates.com).

### **FMLA Quick Tip**

Employees not giving you the notice they should for initial leave requests? The guidelines are 30 days for foreseeable events or within 2 business days for emergencies, absent extenuating circumstances. The FMLA regulations give you the option to delay the start of FMLA protected leave, as long as the employee was informed of the required notice period. This condition would be satisfied by having the required DOL notice posted prominently in the employer's work facility as well as language in an employee handbook or other employee distribution.

For more information on this contact Bob Werkheiser at [FMLA@hrstndassociates.com](mailto:FMLA@hrstndassociates.com).

### **PAID Family Leave Insurance Act reintroduced in the House**

Legislation that would provide up to 12 weeks of **paid** leave benefits to workers who need to care for an ill family member (including a domestic partner or the child of a domestic partner), a new child, to treat their own illness or to deal with an exigency caused by the deployment of a member of the military, was reintroduced on March 25 by four House Democrats. This proposed law would impact all employers.

Called the Family Leave Insurance Act of 2009, the benefits are paid from a federal trust fund, similar to the federal unemployment insurance scheme, that is financed equally by employers and employees. According to the Act's sponsors, the bill would build on the Family and Medical Leave Act of 1993 (FMLA).

Under the Act, workers who take leave: (1) for the birth and care of the newborn child; (2) for placement of their son or daughter for adoption or foster care; (3) to care for an immediate family member (domestic partner, sibling, grandchild, or grandparent) with a serious health condition (4) when they are unable to work because of a serious health condition; or (5) for exigencies arising from the deployment of a member of the armed forces or to care for a service member returning from combat would receive benefits from a federal "Family Leave Insurance Fund." Employees would contribute 0.2 percent of their annual earnings and employers would match employee payments; employees with less than 20 employees would pay a 0.1% premium. The program is designed to be self-financing.

## Administration Specials

Over the past few months we have been offering specials on our COBRA and FMLA Administration programs. Well we are going a step farther with a combined special for signing up for both services in addition to the individual offers.

COBRA Special: Administrative Setup Fee **\$50.00 (normally \$200+)**  
Monthly Service Fee **waived for 6 months**  
Per Qualifying Event fee **\$27.50**  
Initial Notice **\$2.50** Termination Notice **\$5.00**  
Subsidy Coupons **\$5.00** Subsidy Termination Notice **\$5.00**  
(Complies with ARRA changes effective 02/17/2009)

FMLA Special: Administrative Setup Fee **25% off** (\$495 and up) &  
**5% off monthly fees for 6 months**

Combination Special: Take an additional 5% off Monthly billable totals.

If you have any questions or would like to request a quote for either program please send an email to [hrguys@hrstndassociates.com](mailto:hrguys@hrstndassociates.com).

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