



MINNESOTA
CHAMBER of
COMMERCE

BUSINESS SOLUTIONS
HEALTH & BENEFIT E-NEWSLETTER

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OVERTIME AND BREAK REGULATIONS — FEEDBACK REQUESTED

Currently, there are bills in the Minnesota House of Representative and Minnesota Senate regarding Overtime and Break Regulations. As a Minnesota employer, we would appreciate your confidential feedback. Comments can be sent to Jeremy Estenson, manager of labor-management policy at the Minnesota Chamber of Commerce, jestenson@mnchamber.com.

House File 2810 would change current statute, which requires an employer to provide “sufficient time” to eat a meal every eight hours and to “sufficient time” to rest every four hours. The change would require 15 minutes every four hours and 30 minutes in each eight hour period. It appears to cut both ways because an employer could, conceivably, allow less time, but an employee could also take more time and be within the law. Given how common 15 minute breaks and 30 minute lunch periods are, will this create problems for your business? If so, how?

Senate File 2347 changes the threshold at which overtime must be paid from 48 hours in one week to 40 hours in one week. No other changes are made to this section. Could that change affect your business?

INDIVIDUAL INCOME TAX RECIPROCITY WITH WISCONSIN ENDED, EFFECTIVE JANUARY 1, 2010

Minnesota employers that employ Wisconsin residents: The Minnesota Department of Revenue announced that effective January 1, 2010, Minnesota employers must begin withholding Minnesota income

taxes on personal service income of Wisconsin residents working in Minnesota. Use the Federal Employee's Withholding Allowance Certificate, [Form W-4](#), to determine the amount of Minnesota income tax to be withheld from your employees' paychecks.

If you no longer have a withholding obligation for Wisconsin, you should [inactivate your Wisconsin withholding tax account](#) effective December 31, 2009. For more information, [click here](#).

EXCISE TAX REPORTING FOR HIPAA, COBRA AND HSA VIOLATIONS

Since their enactment, Health Insurance Portability and Accountability Act (HIPAA), Consolidated Omnibus Budget Reconciliation Act (COBRA) and certain other laws have included excise tax penalties for violating their provisions. Similar excise tax provisions apply to employers' noncomparable health savings account (HSA) contributions made outside a cafeteria plan and Archer medical savings account (MSA) contributions. Until recently, employers had little guidance on how to report or pay these excise taxes. The Internal Revenue Service (IRS) issued final regulations in September 2009 describing who is responsible for paying the tax and how and when to report violations.

For an overview of the reporting and excise tax requirements in the final regulations, [read the article](#) provided by Mercer, www.mercer.com. For more information, contact Jim Fries at jim.m.fries@mercer.com.

2010 SALARY TREND PROJECTIONS — LEARN WHAT'S EXPECTED TO IMPACT COMPENSATION AND ABOUT USEFUL SALARY PLANNING TIPS

The challenging economy has raised concerns over salary budget planning for many employers. A number of surveys report that 2009 salary increases dropped to the lowest point in many years with some organizations giving no adjustments. Trend data, however, suggest that business conditions will improve in 2010, perhaps stabilizing compensation concerns.

To learn more about this critical topic, read "[RSM McGladrey's Annual Compensation Budget Planning Report](#)." Due to economic challenges, a number of organizations reported a zero-percent salary budget (in 2009 and/or 2010). As a result, RSM McGladrey has prepared two reports, one that **includes** organizations reporting a zero-percent salary budget and one that **excludes** those organizations reporting a zero-percent salary budget.

In addition, RSM McGladrey has prepared "[What you need to know about compensation trends for 2009-2010](#)." This article includes information on the use of variable pay and salary planning tips to ensure alignment with strategic objectives.

Article provided by RSM McGladrey, www.rsmmcgladrey.com. For more information, contact Maureen Driscoll, Managing Director, at maureen.driscoll@rsmi.com or (612) 376-9322.

BUILDING AN EFFECTIVE SENIOR LEADERSHIP TEAM

"Don't run for office. You are already elected." – Jack Welch

"Collaboration across boundaries is fundamentally different." – Carly Fiorina

Senior leadership teams – typically led by the CEO – that drive an organization have a substantial effect on the company's culture, work environment, strategic direction and productivity. A well- or poorly-run team can literally mean success or failure in any sized company. The team has tremendous impact on an

organization's ability to innovate, respond to market challenges, communicate with investors, foster employee loyalty and manage productivity.

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WHEN OSHA CALLS, ARE YOU PREPARED?

The Occupational Safety and Health Administration (OSHA) general duty clause states that “each employer shall furnish to each of their employees employment and a place of employment which is free from recognized hazards that are causing or likely to cause death or serious physical harm to their employees and shall comply with occupational safety and health standards promulgated under this Act.”

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CREATING A SAFETY CULTURE

The Minnesota Chamber Business Services has developed a Webinar series to assist employers in creating a safety culture. Webinars will be from noon to 1:00 p.m. and are free to Minnesota Chamber members. Program topics and dates are:

February 16 – “Potential Hazards and Near-Miss Reporting”

June 15 – “Good Hiring Practices and Employee Safety Orientation”

October 12 – “Job Safety Analysis”

To sign up or for more information, go to www.mnchamber.com.

PARALYZED VETERANS OF AMERICA — EMPLOYER REQUEST

The Paralyzed Veterans of America has asked us to notify our members of its need to increase its partnerships with businesses to assist individuals in returning to the workforce. Imagine having a vocational “life” and then a catastrophic injury that causes limitations in so many ways.

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For more information on this or other products and services available through the Minnesota Chamber of Commerce, contact Mary Bethke at (651) 292-4672, (800) 821-2230, or mbethke@mnchamber.com or visit our web site at www.mnchamber.com/benefits.

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