

IN THIS ISSUE

[Health Care Reform](#)

[U.S. Department of Labor Regulation Update](#)

[Performance Reviews: Ensuring a Positive Experience](#)

[Top HR Strategies to Rebound - Regain Control of Your Business with 10 Bold Moves](#)

[Safety in the Workplace - Upcoming Free Webinar](#)

[Wellness in the Workplace](#)

[Hire A Hero](#)

HEALTH CARE REFORM

Coverage of Adult Children to Age 26 – MINNESOTA DEPARTMENT OF REVENUE CHANGES

A provision under the new health care law, effective for plan years beginning on and after September 23, 2010 (January 1, 2011 for most employer plans), creates a new classification of an “adult child” who will be eligible for employer group health coverage. The definition of an adult child eligible for coverage under this mandate may be more narrow than the definition of a dependent child under the group health plan; it includes only the son, daughter, stepchild, adopted child or eligible foster child of a plan participant.

▶▶▶ READ MORE

Most states, such as Minnesota, will need to affirmatively adopt the same tax exclusion in order for employer provided health insurance to be tax free to the employers covering these older non-dependent children. UPDATE: The 2010 Minnesota Legislature did not enact legislation incorporating into Minnesota law any of the changes to the Internal Revenue Code contained in the Act. In the absence of any legislation, Minnesota law continues to include in the definition of “wages” for purposes of state income-tax withholding the fair market value of insurance benefits provided to non-dependent adult children of employees. However, until the Minnesota Legislature has had the opportunity to fully address the adoption of the provisions contained in the Act, the Department of Revenue will not require employers to withhold taxes from these federally exempt employer provided benefits. The Minnesota Legislature will reconvene January 4, 2011.

Note that the requirement to impute federal income for coverage of other non-dependents (such as domestic partners who do not qualify as dependents under the Internal Revenue Code) has not changed.

ACTION STEPS:

- Employers that are currently imputing income for adult non-dependents not yet age 26, should stop doing so.
- Talk with your tax adviser to determine whether the imputed income already applied in 2010 should be reversed.
- Monitor action within your state to determine whether the value of these benefits will be non-taxable at the state as well as the federal level.
- UPDATE: Since employees will be required to include these federally exempt benefits as income

on their 2010 Minnesota income returns (unless Minnesota law is changed), the Department of Revenue encourages employers to share this information with affected employees so they can decide whether to elect additional withholding if they are concerned about being sufficiently withheld. [Attached](#) is a sample memo with language described that can be used as a guide for your own communication to employees.

Resources: It will take some time for employers, insurers, administrators, and advisers to sort out all the details. We expect that regulators will begin putting out more detailed guidance this year and will continue to do so over the next few years.

SAMPLE MEMO TO EMPLOYEES. [Attached](#) is a sample memo to assist employers in communicating to their employees.

Article and Sample Memo Provided by David Martin Agency, an employee benefit specialists company. For more information, go to www.davidmartinagency.com.

U.S. DEPARTMENT OF LABOR REGULATION UPDATE

- Fact Sheet on Break Time for Nursing Mothers
- Proposed Employer Recordkeeping Requirements Related to Worker Classification

U.S. Department of Labor issues fact sheet on break time for nursing mothers

The U.S. Department of Labor has released a fact sheet to provide general information on the federal break time requirement for nursing mothers under the Patient Protection and Affordable Care Act.

The fact sheet covers a new Fair Labor Standards Act amendment that requires employers to provide reasonable break time for nursing mothers to express breast milk and a place to do so, other than a bathroom, that is shielded from view and free from intrusion. The FLSA requirement does not pre-empt a state law that provides greater protections to employees, click [here](#) to read more.

Article Provided by Amy Taber, associate with Faegre and Benson law firm. For more information please contact ataber@faegre.com or go to www.faegre.com.

Proposed employer recordkeeping requirements related to worker classification

In April, 2010, the U.S. Department of Labor (DOL) published its semi-annual regulatory agenda which is required by Executive Order to detail all the regulations the DOL expects to have under active consideration for promulgation, proposal or review during the coming year.

According to the agenda, the DOL plans to propose a rule that would amend the current recordkeeping regulations under the Fair Labor Standards Act (FLSA). Under the proposed rule, any employers seeking to exclude workers from the FLSA's coverage will be required to perform a classification analysis, disclose that analysis to the worker, and retain that analysis to provide to Wage and Hour Division (WHD) enforcement personnel upon request. The proposal will also address burdens of proof when employers fail to comply with records and notice requirements. The Abstract on the Department of Labor website says the following:

The Department of Labor proposed to update the recordkeeping regulations under the Fair Labor Standards Act in order to enhance the transparency and disclosure to workers of how their pay is computed and to modernize other recordkeeping requirements for employers.

www.dol.gov/regulations/factsheets/whd-fs-flsa-recordkeeping.htm

Before any enactment of these proposed regulations, this may be a good time to review your exempt/non-exempt status of your employees. As you recall, in 2004 the U.S. Department of Labor (DOL) updated its provisions of the Fair Labor Standards Act (FLSA) which redefined the white-collar employee definition and expanded exempt and non-exempt status, i.e. eligibility for overtime.

The criteria to determine whether an organization is covered under the Federal FLSA:

- An enterprise that "has employees who are engaged in commerce or in the production of goods for commerce, or has employees who handle, sell or work with goods that have been moved or produced for commerce by any person."

It "has gross volume of sales made or business conducted greater than \$500,000 per year."

Nearly every employer must comply with FLSA regulations. The DOL has a website which provides further explanation of the FLSA compliance regulation and as well as tools to assist employers in your recordkeeping documents. For more information, go to their website at: www.dol.gov/compliance/laws/comp-flsa.htm.

MINNESOTA: It is also important to take note of the Minnesota specific exemptions. Last year, Sen. Ron Latz, DFL-St. Louis Park, attempted to eliminate many of those exemptions with a bill that would have required that many agricultural workers and auto mechanics and sales people be paid overtime after 40 hours. Currently, many of those types of positions either have no overtime requirement, or the employee must work 48 hours in a week before overtime is paid. If you have questions about Minnesota specific exemptions, please contact Jeremy Estenson at jestenson@mncchamber.com. It is very likely that the Legislature might attempt to eliminate some of the Minnesota specific exemptions again next year, and if you currently have employees in exempt positions, we may call on you to get details on the value it provides to your business.

PERFORMANCE REVIEWS: ENSURING A POSITIVE EXPERIENCE

Performance reviews can be a powerful tool for motivating employees to higher performance levels and inspiring them to meet new challenges. Moreover, these usually annual discussions may have added importance in the current business environment because they can be highly effective tools both for getting underperforming employees on track and for strengthening relationships with top performers. In a difficult business climate, firms need to maximize the contributions of all employees and make an extra effort to retain their best people.



Article contributed by Robert Half Management Resources (RHMR), a provider of senior-level accounting and finance professionals on a project and interim basis. Robert Half Management Resources has more than 145 offices worldwide including offices in Minneapolis and Bloomington. For more information, contact Chris Dardis, RHMR-Human Resource Services, at chris.dardis@rhm.com or (612) 337-5446.

TOP HR STRATEGIES TO REBOUND - REGAIN CONTROL OF YOUR BUSINESS WITH 10 BOLD MOVES

It is all part of the great American dream: Start your own business and be your own boss. But instead, many small and medium-sized business owners find themselves plunged into a nightmare of endless paper work, economic woes, tightened budgets and the skyrocketing costs associated with owning a company. Many may begin to wonder, do I really own this business?



Article provided by Administaff (NYSE: ASF), the nation's leading professional employer organization (PEO), serving as a full-service human resources department that provides small and medium-sized businesses with administrative relief, big-company benefits, reduced liabilities and a systematic way to improve productivity. The company operates 51 sales offices in 24 major markets. For more information about Administaff, call (800) 465-3800 or visit www.administaff.com.

SAFETY IN THE WORKPLACE - UPCOMING FREE WEBINAR

Job Safety Analysis (JSA) Webinar

October 12, 2010

Noon - 1:00 p.m.

Hosted by the Minnesota Chamber Safety Management Committee, this webinar is designed to assist employers with identifying both real and potential hazards and to help improve and eliminate workplace safety along with tips to developing safe procedures.

A team of safety experts will lead the presentation:

Steve Serba, safety coordinator, Alexandria Extrusion Company

Dick Higgins, safety manager, Hutchinson Technology Inc.

Randy Reisberg, director safety & loss control, Cretex Companies, Inc.

The cost of this webinar is free to Minnesota Chamber and Minnesota Safety Council members and \$89 for nonmembers. To register, click [here](#).

Sponsored by: [Minnesota Chamber Business Services](#)

WELLNESS IN THE WORKPLACE

Wellness: Know Your Numbers! Knowing your blood pressure, cholesterol, blood sugar and body mass index (BMI) are vital in determining whether you are at risk for developing major illnesses such as heart disease or diabetes. If you know your numbers are out of the healthy range, you can take measures to get yourself back into good health.

 [READ MORE](#)

Article provided by Gallagher Benefit Services, a full service benefits specialists company. For more information, go to www.gallagherbenefits.com.

HIRE A HERO

In 2006 the [Armed Forces Support Foundation](#) 501(c)(3) was created, along with Hire A Hero, to provide free employment services to returning service members and their families. Hire A Hero was created as an online professional networking site that provides employment services specifically geared towards meeting the employment needs of returning military members and their families. Our research and experience suggests that conventional job boards fail to identify the specific needs of returning veterans and did not effectively connect them with the wider military community. Hire A Hero is a national program that was created to address this gap. For more information, go to www.hireahero.org.

MINNESOTA
CHAMBER of
COMMERCE

MINNESOTA CHAMBER OF COMMERCE
400 N. Robert Street, Suite 1500
St. Paul, MN 55101
(651) 292-4650 / (800) 821-2230
www.mnchamber.com