

THE VOICE

01
FALL
2007

HR|experts™

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From “THE VOICE” at the other end of the telephone:

Dear Practice Administrators/Managers,

By now many of you have heard about the new service that is available to you from Medical Mutual ... HR|Experts. This is a free service created for the sole purpose of providing each of your practices Human Resources assistance. It is the goal of Medical Mutual through the complementary services of HR|Experts to provide you with timely and meaningful HR support.

In addition to HR consultation services by telephone and email, HR|Experts will be publishing a quarterly newsletter with articles that are current and relevant to your practices.

For many practices it is the time of year for building budgets for 2008 so we felt it was important to include in this newsletter the latest national and regional data on projected increases to salary budgets.

Also relevant to each of your practices, the U.S. Citizenship and Immigration Services announced that a revised Employment Eligibility Verification Form (I-9) is now available. As of early November, the I-9 form with a revision date of June 5, 2007 is the only version of the form that should be used for any new hires.

Another resources that is available to you is Healthcare HRAnswersNOW, an on-line research tool which focuses on HR issues in the healthcare industry. You can access this tool by going to Medical Mutual’s web page at: www.medicalmutualgroup.com and logging into Member Login. More information about this extensive data base will be in upcoming issues of the newsletter.

I look forward to working with every one of you. I am sure that together we can make a difference in each of your practices.

Sincerely,

Ted Pattison

Human Resources Advisor



Ted Pattison

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Projected Salary Budget Increases

Across the board, national surveys reported little change from 2006 to 2007. Pay increases are also projected to remain flat in 2008.

Base Pay Increases: All Employees (US)

| | Watson Wyatt | Mercer | Culpepper | Local |
|----------------|--------------|--------|-----------|-------|
| Actual 2007 | 3.6% | 3.8% | 3.8% | 3.2% |
| Projected 2008 | 3.6% | 3.8% | 3.9% | 3.2% |

Projected 2008 Base Pay Increases: Employee Category (US)

| Culpepper Category | 2008 Proj. | Mercer Category | 2008 Proj. | Local Category | 2008 Proj. |
|-----------------------------------|------------|--------------------------------|------------|----------------------|------------|
| Executives | 3.9% | Executive | 3.9% | Officers/ Executives | 3.2% |
| Mfg Managers & Professionals | 3.8% | Management | 3.8% | Exempt Salaried | 3.5% |
| Operations Mgrs & Professionals | 3.8% | Professional (including Sales) | 3.7% | Non-Exempt Salaried | 2.8% |
| Sales Mgrs & Reps | 3.4% | Office/Clerical/ Technician | 3.7% | Non-Exempt Hourly | 3.2% |
| Sci/Clinical Mgrs & Professionals | 3.8% | Trades/ Production/ Service | 3.6% | | |
| Technical Mgrs & Professionals | 3.9% | | | | |
| Hourly/ Non-Exempt | 3.7% | | | | |

(Source: CAI Management Newsletter, October 15, 2007)

Revised I-9 Form Released!

The U.S. Citizenship and Immigration Services (USCIS) announced that a revised Employment Eligibility Verification Form (I-9) is now available for use.

As of November 7, 2007, the Form I-9 with a revision date of June 5, 2007 is the only version of the form that is valid for use. However, the Department of Homeland Security (DHS) will publish a Notice in the *Federal Register* that provides employers with a 30-day period, beginning on date of publication of the Notice, to transition to the new Form I-9.

To read a more detailed Fact Sheet about the new I-9 Form published by the USCIS, go to <http://www.uscis.gov/files/pressrelease/FormI9FS110707.pdf>.

To view the new Handbook for Employers, which contains instructions for completing the new I-9 Form, along with a copy of the new form, go to <http://www.uscis.gov/files/nativedocuments/m-274.pdf>.



Workplace Unfairness.....



A new study reveals that workplace unfairness costs U.S. employers an estimated \$64 billion per year in turnover of managers and professionals, in addition to damaged employer reputation.

"The Corporate Leavers Survey," conducted by the Level Playing Field Institute and sponsored by Korn/Ferry International, finds that each year more than two million professionals and managers leave their employers due solely to workplace unfairness.

"The study highlights that unfairness in the form of everyday inappropriate behaviors is a very real, prevalent and damaging part of today's work environment," said Freada Kapor Klein, Ph.D., founder and board chair of the Level Playing Field Institute. "The cumulative impact of stereotyping, subtle slights and being excluded is extraordinarily costly for individuals, employers and the society as a whole. It is sadly ironic that so much money is spent on recruiting and so little attention is devoted to creating a fair and welcoming work environment". Additionally, 27 percent who experienced unfairness said their experience "strongly" discouraged them from recommending their employer to other potential employees.

The 1,700 respondents to the survey also expressed differing opinions on which actions their employers could have taken to convince them to stay. Fair compensation was the most important factor for Caucasian men and women, while other employees indicated that they would have been "much more likely" to stay if offered better benefits. More than one-third of people of color (34 percent) indicated they would have likely stayed if their employer had better management who recognized their abilities.

Holiday Gift Certificate May Be Taxable.....

There was a time when employers could give employees cash or a cash equivalent gift such as a gift certificate for amounts less than \$25 without any tax concern. These were known as de minimis fringe benefits or gifts.

That is no longer the case. The Internal Revenue Service (IRS) tells employers that all fringe benefits, such as a gift certificate, are considered taxable wages unless specifically excluded by a section of the Internal Revenue Code (IRC).

There are still quite a few perks employers may provide to employees that can be considered de minimis and not taxable to the employee. These include: group meals, tickets to the theater or sporting events, traditional birthday gifts or holiday gifts with a low fair market value (not cash or cash equivalent), flowers, and occasional treats such as coffee, doughnuts, soft drinks, etc.

For example, the employer is able to give employees a holiday turkey or ham without any taxable issues to the employee. However, if the employer gives the employee a gift certificate to purchase the item, it could create a situation where the employee could receive cash back from the certificate and it would no longer be considered a de minimis gift.



If you have additional questions about the taxes around this issue be sure to consult your CPA.

Frequently Asked Questions

- **Is there a restriction on how many hours an employer can require an adult employee to work?**

No. In North Carolina, employees 18 years of age and older can be required to work as many hours as an employer wants. The employer has to make sure to pay the employee at least the minimum wage or promised wages (whichever is greater) and pay time and one-half overtime pay based on the employee's regular rate of pay for all hours worked in excess of 40 in a workweek unless the employee is exempt from overtime pay for a specific reason.

- **Can an employer pay someone a salary and not have to worry about overtime pay?**

No, not in all cases. Just putting an employee on a salary does not necessarily exempt that employee from overtime pay. The employee still has to meet certain tests to be exempt as a manager, supervisor, administrative employee, professional employee, or as an outside salesperson.

- **Can my employer require that I work overtime?**

Yes. The employer can require that you work overtime even if it was not scheduled. The employer can make the working of overtime as a condition of your employment with that employer.

- **When can an employer in NC request non-charging of unemployment benefits?**

- The employee quits work without good cause attributable to the employer
- The termination of the employee is for misconduct in connection with work
- The separation of the employee for cause isn't classified as misconduct but resulted from substantial fault on the part of the employee
- The employee is discharged for bona fide inability to do the work for which he/she was hire; if the discharge is within the first 100 days of employment
- Separation is due to disability or health condition of employee
- Separation solely due to an inability to accept work during a particular shift as