



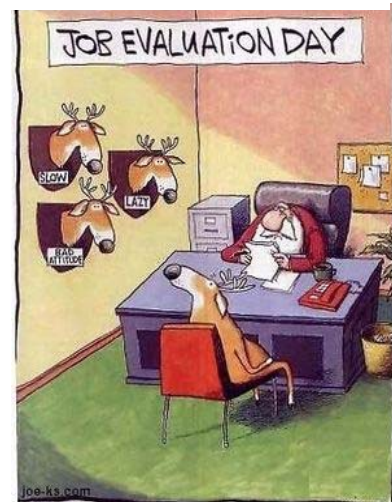
Key Topics in This Issue:

- Employee Evaluation Guidelines
- Managing Remote Employees
- Employee Provided Cell Phones
- State Income Tax Withholding Rates
- Medicare Part D – Revised Date
- NLRB Poster Date

Effective Employee Evaluations

It is that time of year when, corporate goals and employee performance are on the minds of management. Preparation and planning long before an actual employee evaluation takes place are the best tools for effective evaluations. The first step is ensuring that the evaluation be put in the context of the organizational goals. Defining the necessary skills, capabilities, and behaviors for the employee's job with a plan for further skill development and promotional opportunities within the company is key to an effective evaluation.

The second step involves fostering a company culture that encourages feedback and coaching informally throughout the year, and is not limited to the formal evaluation process. Frequent communication, acting upon "teachable moments," and correcting bad habits immediately helps alleviate any surprises in an end of the year evaluation. Moreover, the newer generation of workers typically wants more immediate feedback that outlines clear performance expectations.



Including a self-evaluation component in the evaluation is also beneficial. It allows HR managers to learn how employees view themselves and how well they understand job expectations. Finally, a plan of action specifying the employee's next steps, what needs to be accomplished, and what opportunities may exist is a motivating factor for improved performance. **Remember: Feedback and Frequent Communication!**

Managing Remote Employees

In a recent Accountemps survey, 33% of CFO's say telecommuting and remote office employees have continued to increase over the past 3 years. Many employers are offering these arrangements in order to attract and retain top employees, and because of the savings it creates for both sides. Eliminating long commutes, balancing travel time vs. work time, and reducing operational expenses by maintaining smaller offices are all cost saving benefits for employers and employees.



Rosemary Haefner, VP of HR for CareerBuilder, notes that "certain positions work especially well for telecommuting, and that some individuals are better suited than others for telecommuting." Establishing specific communication expectations and planning activities to ensure productivity are important for the employer and employee to agree upon. Telecommuting is an attractive benefit option for employers to offer talented workers, and when managed well, yields benefits for both sides.

Quote: *Plans are nothing; planning is everything.* ~ Dwight D. Eisenhower *And everything is dynamic!*

Employer Provided Cell Phones

The IRS issued guidance Notice 2011-72 on Sept.14, which says the value of an employee's cell phone usage when related to the employer's business, is to be excluded from the employee's income. In addition, the value of any personal use of a cell phone provided by the employer primarily for business purposes is excludable from the employee's income as a de minimus fringe benefit. A de minimus benefit is defined as so small as to make accounting for it unreasonable or impractical. This guidance does not apply to employer-provided cell phones or cell phone reimbursements that are not primarily related to business; IRS Information release 2011-93. The intent of removing cell phones from the list was to relieve employers of the valuation burden. Classifying personal use as a de minimus fringe benefit also makes it easier for employers to confirm the use of the phones for business purposes.

State Income Tax Withholding Rates

Michigan State income tax withholding rate increase scheduled to begin Oct. 1, 2011, was repealed.



The withholding rate remains **4.35%**. Another development is the state's new Office of the Employer Ombudsman which will allow employers to communicate with the agency and express concerns at any time. This office is designed to provide a single responsive point of contact for employers. More information is available on the UIA website as is the **Online New Employer Package -UIA 1252**. It contains forms and publications useful for new employers, along with contact names and numbers for UIA tax teams.

Ohio State unemployment insurance taxable wage base for 2012 remains \$9,000.

Massachusetts State interest rate on tax underpayments is 4%; 2% on overpayments for 10/1-12/31/11.

South Carolina State interest rate charged on unpaid taxes is 3%, effective 10/1-12/31/11.

Medicare Part D Creditable Coverage

The Centers for Medicare and Medicaid Services (CMS) issued an updated notice [available online http://tinyurl.com/644ob5y](http://tinyurl.com/644ob5y). Sponsors of group health plans offering prescription drug coverage must notify Medicare-eligible individuals whether their prescription drug coverage is "creditable coverage"- is expected to pay on average as much as the standard Medicare prescription drug coverage. Starting this year, the annual election period is from Oct. 15 to Dec. 7. Group health plan sponsors will need to distribute creditable coverage notices on or before **Friday, October 14, 2011**.



The National Labor Relations Board (NLRB)

A Final Rule requiring employers to notify employees of their rights under the National Labor Relations Act (NLRA) was issued recently. Private-sector employers, including labor organizations, are now required to post the NLRA employee rights notice where other workplace notices are typically posted. ***This new poster must be posted no later than November 14, 2011.*** It states employees have the right to act together to improve wages and working conditions, to form, join and assist a union, to bargain collectively with their employer, and to refrain from any of these activities. It gives examples of unlawful employer and union conduct and instructs employees how to contact the NLRB with questions or complaints. The new NLRA poster has been incorporated into the Federal All-In-One poster, and you will receive one from your **Employees Only Client Advocate**.
http://www.foley.com/publications/pub_detail.aspx?pubid=8569



Your Client Advocate at Employees Only is ready to help manage Renewal Options and Open Enrollment for your employees' 2012 Benefit Plan Choices!

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