

Quarter 2 2011

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Let BenePAY handle your COBRA administration

Save time, be more efficient, and prevent fines and penalties

The term COBRA is an acronym for the Consolidated Omnibus Budget Reconciliation Act of 1985 which amended the Employee Retirement Security Act (ERISA), the Internal Revenue Code and Public Service Act to compel most group health plans and insurers to make available continued health coverage that otherwise might be terminated when certain Qualified Beneficiaries (QB's) lose coverage due to a Qualifying Event (QE).



Statutory Penalties under ERISA allow for an excise tax of \$110 per day (\$200 per day for multiple QB's in family) for failure to provide an initial COBRA notice or an election notice. There is no maximum amount placed on these fines!

BenePAY provides an efficient and hassle-free way to manage COBRA events within your organization. Through our online COBRA platform, BenePAY will provide the following services:

- Account setup
- Enrollment tracking
- Event tracking
- Coordination of state-mandated regulations
- Payment collection and remittance
- Reporting
- Online access
- Online report generation and printing
- Maintain correspondence and activity to include:
 - Notifications
 - Enrollments
 - HIPPA certificates of coverage
 - Premium payment coupons
 - Rate change notices
 - Termination notices
- And much more!

When a qualifying event occurs, all you have to do is notify your dedicated Client Service Representative and BenePAY will handle the rest!

Contact us today to learn more!

Heads Up! FUTA in 2011

How to plan for changes in FUTA taxes in 2011

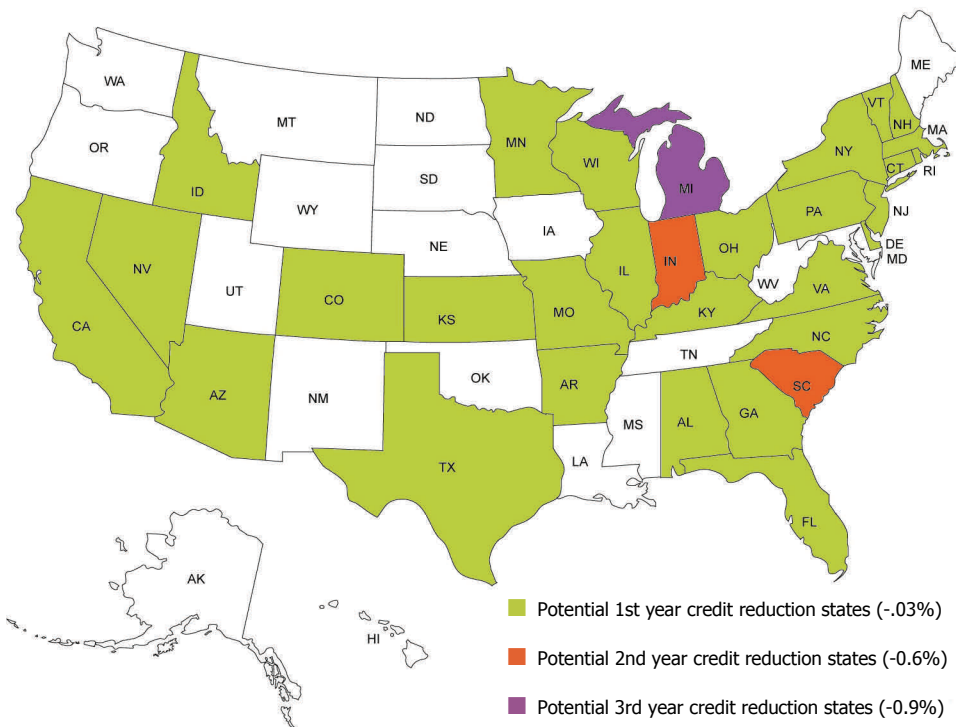
What is credit reduction?

Many states' unemployment insurance systems have become overburdened which has forced them to take out loans from the Federal account. States are rewarded a 5.4% credit reduction towards their FUTA taxes when their Federal loans are paid on time. After a state has outstanding loans for two years, a credit reduction takes effect until the loans are paid off. The credit reduction begins at 0.3% and increases by 0.3% for each succeeding year that the loans remain unpaid.

Who does this affect?

In 2010, three states were subject to credit reduction: Michigan (for the second year in a row), Indiana, and South Carolina. For 2011, 31 states may be subject to a credit reduction. States have until November 10 to repay their loans (see map).

Important!
It is very likely that you will owe additional FUTA tax in January 2012. BenePAY is helping you prepare with an on-demand report.



What does this mean?

It is very likely that these states will see a 0.3 percent FUTA rate increase in 2011. In an effort to be proactive and provide you with a tool that will help you prepare for this additional tax due in January of 2012, we would like to announce a new report available to you on demand. This report will calculate the potential additional tax due in January of 2012. It takes your FUTA taxable wages and multiplies them first by the standard FUTA tax rate and then by the probable increase. This will allow you to see the difference in what is currently being accumulated and what will need to be collected and paid on your behalf (for clients on tax service) in January 2012. Since the credit reduction is not determined until sometime in the fourth quarter, BenePAY cannot be certain of the 2011 rate. However, we believe this report gives the best estimate we can provide based on current information and historical evidence.

If you are interested in receiving this report each pay period or at any time throughout 2011, please contact your Client Service Representative and it will be provided to you at no charge.

[Click here to see a preview of this report.](#)

The current FUTA rate is 6.2 percent. **After June 30, 2011 the FUTA tax rate will drop from 6.2% to 6.0%.** Refer to the chart on the following page to see how this will affect each state.

If you have any questions regarding the above, please contact our Tax Department at (616) 575-8702.

Obama's plan

In his 2012 budget plan, Obama proposes to halt states' interest payments on outstanding Federal loans as well as suspend the FUTA credit reduction. For more information of Obama's 2012 budget plan and how it affects payroll, please see the article on page 5.

	Credit Reduction Status*		Rate	-	Credit	=	Effective rate	x	Wage base	=	Cost per EE**
Jan. 1- Jun. 30	A	No credit reduction	6.2%	-	5.4%	=	0.8%	x	\$7,000	=	\$56
	B	1 st year credit reduction	6.2%	-	5.1%	=	1.1%	x	\$7,000	=	\$77
	C	2 nd year credit reduction	6.2%	-	4.8%	=	1.4%	x	\$7,000	=	\$98
	D	3 rd year credit reduction	6.2%	-	4.5%	=	1.7%	x	\$7,000	=	\$119
Jul. 1- Dec. 31	E	No credit reduction	6.0%	-	5.4%	=	0.6%	x	\$7,000	=	\$42
	F	1 st year credit reduction	6.0%	-	5.1%	=	0.9%	x	\$7,000	=	\$63
	G	2 nd year credit reduction	6.0%	-	4.8%	=	1.2%	x	\$7,000	=	\$84
	H	3 rd year credit reduction	6.0%	-	4.5%	=	1.5%	x	\$7,000	=	\$105

* Employers in MI—refer to lines C and G for current rate and lines D and H for potential 2011 rate
 * Employers in IN and SC—refer to lines B and F for current rate and lines C and G for potential 2011 rate
 * Employers in AL, AR, AZ, CA, CO, CT, DE, FL, GA, ID, IL, KS, KY, MA, MD, MN, MO, NC, NH, NJ, NV, NY, OH, PA, TX, VT, and WI—refer to likes A and E for current rate and lines B and F for potential 2011 rate.

**Cost per employee is approximate. Employees will accrue \$7,000 in wages at different intervals and therefore the FUTA rate reduction will affect each employee differently. Employees may accrue all, part, or none of the \$7,000 wage base before the July 1 rate decrease.

Relay for Life

May 6-7 3:00 pm - 3:00 pm

Nickels Intermediate School
 Byron Center, MI

We are making a difference by teaming up to participate in the American Cancer Society's Relay For Life. Many of our families and friends have been affected by cancer in one way or another and we want to do all we can to help in the fight against this horrible disease! At the event, our team will camp out overnight and take turns walking around the track to raise money and awareness to help the American Cancer Society create a world with less cancer and more birthdays. Saving lives from cancer starts one team, one participant, and one dollar at a time. Our team is doing our part to make sure that cancer never steals another year of anyone's life.

Please join our team or make a donation. The impact we can make together is much greater than what any of us could do alone! If you would like to join our team or have any questions please contact Tari Hetherington (Team Captain) at 616-277-5042 or e-mail at thetherington@benepayonline.com. Thank you for your support and we look forward to seeing you on May 6 and 7! I will be spending my birthday, May 6, helping others to be able to celebrate more of their own birthdays by raising money to find a cure!



Thank you,
 Tari Hetherington—Team Captain

CLICK HERE TO DONATE OR JOIN

The Helping Hand—10 Tips for Business Networking Online



When using the web to market yourself of your business, the vastness of information on the system can be overwhelming. It's difficult to know how to go about using the web's fast and live system to its full potential so that you ensure you get the most out of it.

Below are some helpful tips to guide you as an online business networker:

1. Research your market

Make sure you look closely at all your options and choose the ones that are most beneficial and relevant to yourself or your business. Ask yourself what your goals and needs are so that you don't waste anyone's time, especially your own. Join networks that are within your professional field so that you create a presence amongst potential business-partners or clients.

2. Apply aptitude

Be a resource; say useful, unique things that will be a credit to your professionalism and knowledge. If people remember that you had good points to make and that you made them articulately they will remember you and turn to you the next time they need help or advice.

3. Build your brand name

Be memorable for the right reasons.

4. Microtarget

Look for networks and online communities that are relevant to your market, if there aren't any create your own. The goal is to create a presence and be present amongst people in your line of profession.

5. Be generous

Associating yourself with a not for profit organization shows that you are not afraid to take responsibility for causes that are not your evident problem.

6. Show yourself

By opening your human voice in the form of blogging and joining networks you become approachable.

7. Create Relationships

Make contacts. Meet and affiliate yourself with professionals that you believe will be able to help you. Make sure you convince

them that you can be an asset to them in return. You need to be a benefit to them, not an annoyance.

8. Build Relationships

Meeting possible affiliates and partners is not enough. You need to build trust between you and your new connections. Be dependable, if you say you will contact a certain person or company, do it. This will show that you are reliable and serious about the business relationship.

9. Know your strengths

Understand clearly what you do and why you do it differently to others. You need to be able to articulate how you will be an asset to others so that you come across as assertive and confident in your capabilities.

10. Follow Through

When people give you referrals don't make them regret it. Respect that your actions are a reflection on whoever referred you and so act professionally and timely.

Remember, professionalism when networking is important, but don't feel too restricted by formalities. Be honest, work

This article was written by Jade Ashton Scully Jade writes for the business class, an online platform for business professionals in South Africa.

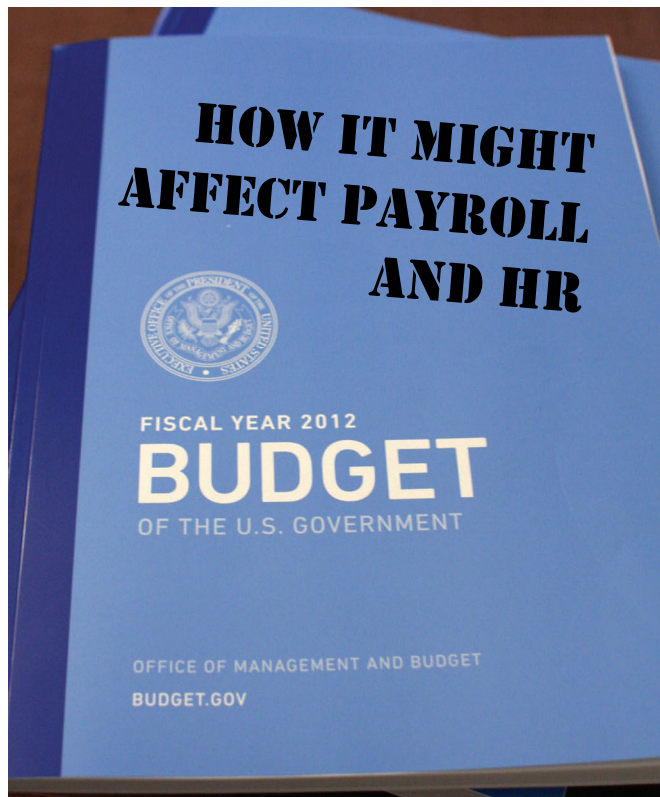
Article Source: <http://EzineArticles.com/5062644>

Do you know someone who...

- ...is starting a business?
- ...is unhappy with their current payroll provider?
- ...is currently doing payroll in-house and is thinking about outsourcing?



Refer them to us and get a \$50 credit on your next invoice! Sharing with others how your business has benefited from BenePAY's services is the best compliment we can receive.



On February 14, President Obama released his \$3.73 trillion proposed budget for the fiscal year 2012. Here are some of his proposed changes and spending that will affect payroll and HR if approved.

Quarterly reporting of Social Security wages. According to the plan, "increasing the timeliness of wage reporting would enhance tax administration and improve program integrity for a wide range of programs."

Halting interest payments on outstanding Federal loans to allow states to rebuild their depleted unemployment insurance accounts.

Suspending the FUTA credit reduction to reduce the burden on employers and promote job creation.

Extending the 0.2% FUTA surtax permanently for the same purpose.

Increasing the FUTA wage limit from \$7,000 to \$15,000 in 2014. States will have until then to get their unemployment systems in order. According to the administration, "in 2014, the taxable wage base will be nearly the same in real terms as it was in 1982, when President Reagan signed into law the last legislation increasing the wage base.

Improving program integrity in unemployment insurance. The proposed budget boosts funding for UI integrity efforts to combat the high levels of improper payments that end up costing employers and workers. In 2010, \$15 billion in UI benefits were erroneously paid.

Expanding work sharing. Short-time compensation, also known as work sharing, is a voluntary employer program that helps firms retain workers by reducing employees' weekly hours instead of laying them off. Workers with reduced hours receive a partial unemployment check to supplement their reduced paycheck. The Budget will provide temporary Federal financing of short-time compensation benefits and encourage States to adopt and expand use of the program.

Detecting and deterring the misclassification of workers and independent contractors. The Budget includes \$46 million to investigate and identify misclassification and to recover unpaid taxes. According to the Plan, misclassification deprives workers of benefits they deserve and costs taxpayers money lost in funds for the Treasury and in the Social Security, Medicare, and Unemployment Insurance Trust Funds.

Requiring employer provided retirement plans. Employers who do not currently offer a retirement plan will be required to enroll their employees in a direct-deposit IRA account that is compatible with existing direct-deposit payroll systems. To make it easier for small employers to offer pensions to their workers, the Budget will increase the maximum credit for the start-up expenses of establishing or administering a new retirement plan from the current maximum of \$500 a year for three years to \$1,000 a year for three years.

To read Obama's Proposed 2012 Budget in entirety, visit: <http://www.whitehouse.gov/omb/budget/overview>

**HR
CORNER**

Acceptable Use Policy (AUP)

Why you need one and how to keep it current

What is an AUP?

An AUP provides guidelines for employees that govern which uses of information technology tools are acceptable for use at work. It can include policies for phone, email, and Web use. With the recent boom in the popularity of social media and the increasing interconnectedness of its personal and professional uses, employers are finding the need to define clear policies to prevent abuse.

Why you need an AUP

Safe working environment. Employees have the right to be protected from inappropriate material, whether it be a lewd email joke or an image seen on a co-worker's computer. Offended employees often hold their employers responsible although the act was perpetrated by other employees.

Employee productivity. Sports sites, video streaming, personal webmail, and online shopping provide constant temptation for distractions. Organizations can track usage by dividing sites into "work-related" and "non-work related" categories. Taking it one step further, they can control usage by setting time limits or blocking non-work related sites at certain times of day.

Internet security. Both the organization and individual employees are vulnerable to a Web-based attack. By limiting access to certain content to only critical individuals or departments, you reduce your organization's attack surface.

Creating and developing an AUP

While AUPs will vary to suit each organi-

zation, these main points should be considered for everyone.

1. Allow limited personal use of Web and email.
2. Outline what is acceptable and what is not, while preserving company culture
3. Be consistent with enforcement and setting precedents
4. Identify all email with a name or email address; avoid spoofing
5. Inform staff on copyright issues relating to email or internet documents
6. Inform staff about what is acceptable inside business hours and what is acceptable outside of business hours, if there is any difference (clearly state this in the policy).
7. Reserve the right to monitor all messages/files on the company network.

AUPs and Social Media

Although social networking tools have a reputation for trivial applications, there are a growing number of useful business applications for social networking and related tools. Issuing a blanket ban on all social media tools will alienate your organization and its individuals from a wealth of business-related networking and information opportunities. While the potential benefits and applications are endless, the open accessibility, widespread use, and instantaneous nature increase organizations' liability and reputation risks.

If the organization owns the infrastructure (computer, server, etc) used to access and view social media sites, it therefore has the right to dictate how

that infrastructure is used.

The old saying, "it takes years to build a good reputation, but only seconds to destroy it," applies now more than ever. One errant comment, blog, or picture by an employee spreads further and faster than ever before and can severely damage relationships and your organization's integrity. This is why it is important to restrict who has access to your corporation's media assets.

One of the major problems with social networking communications is that they are open for other parties to view and indexed by search engines. This means that conversations or tweets can turn up in anyone's search results, allowing other parties to see them, and causing considerable embarrassment and litigation.

Organizations should understand how social media technologies can be used and syndicated before they incorporate them in business activities. While it may be appropriate for some organizations to have an open and active social media dialogue, others may need to scale back use in order to protect privacy of clients and partners.

A well-designed and enforced AUP can protect your organization from a compromised reputation, litigation, and malware attacks while allowing it to reap the benefits of emerging technology. If you would like to add an AUP to your handbook or review your current one, BenePAY and our partners can help you stay up-to date!




Source: Is Your Acceptable Use Policy Social Media-proof? M86security.com



Connect with BenePAY on Facebook, LinkedIn and Twitter to stay up-to-date with the latest news, announcements, and community activities.

Schedule of Events

MAY 2011

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5		
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29		31				


May 6-7: Byron Center Relay for Life

May 30: Memorial Day (BenePAY offices closed)

JUNE 2011

Sun	Mon	Tue	We	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

JULY 2011

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3		5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

July 4: Independence Day (BenePAY offices closed)



Announcements



The BenePAY family welcomes its newest member

Alexis Olivia Gladding

Born March 21 at 4:09 am weighing 7 lbs 10 oz and measuring 21 in.

Her proud parents are HR Generalist Erika Gladding and her husband Casey.

We've moved!

Our Detroit area office, formerly in Auburn Hills, has moved to Brighton.

The Brighton office is located at:

810 E Grand River Ave
Brighton, MI 48116
(810) 222-6460 phone
(810) 222-6469 fax



BenePAY would like to thank



for their sponsorship at our First Annual Client Appreciation Night. We apologize for missing you in our original "thank you" email.

We are looking forward to seeing everyone at Client Appreciation Night 2011!