ADP Resource®

The Bottom Line

A Publication Dedicated to Employers' Current HR Issues & Solutions Brought to You by ADP Resource Volume 15

What are American Health Insurance Marketplaces?

And What They Mean for Your Business.

ALSO IN THIS ISSUE

Stay Smart About Equal Employment Opportunity Laws

Understanding E-Verify

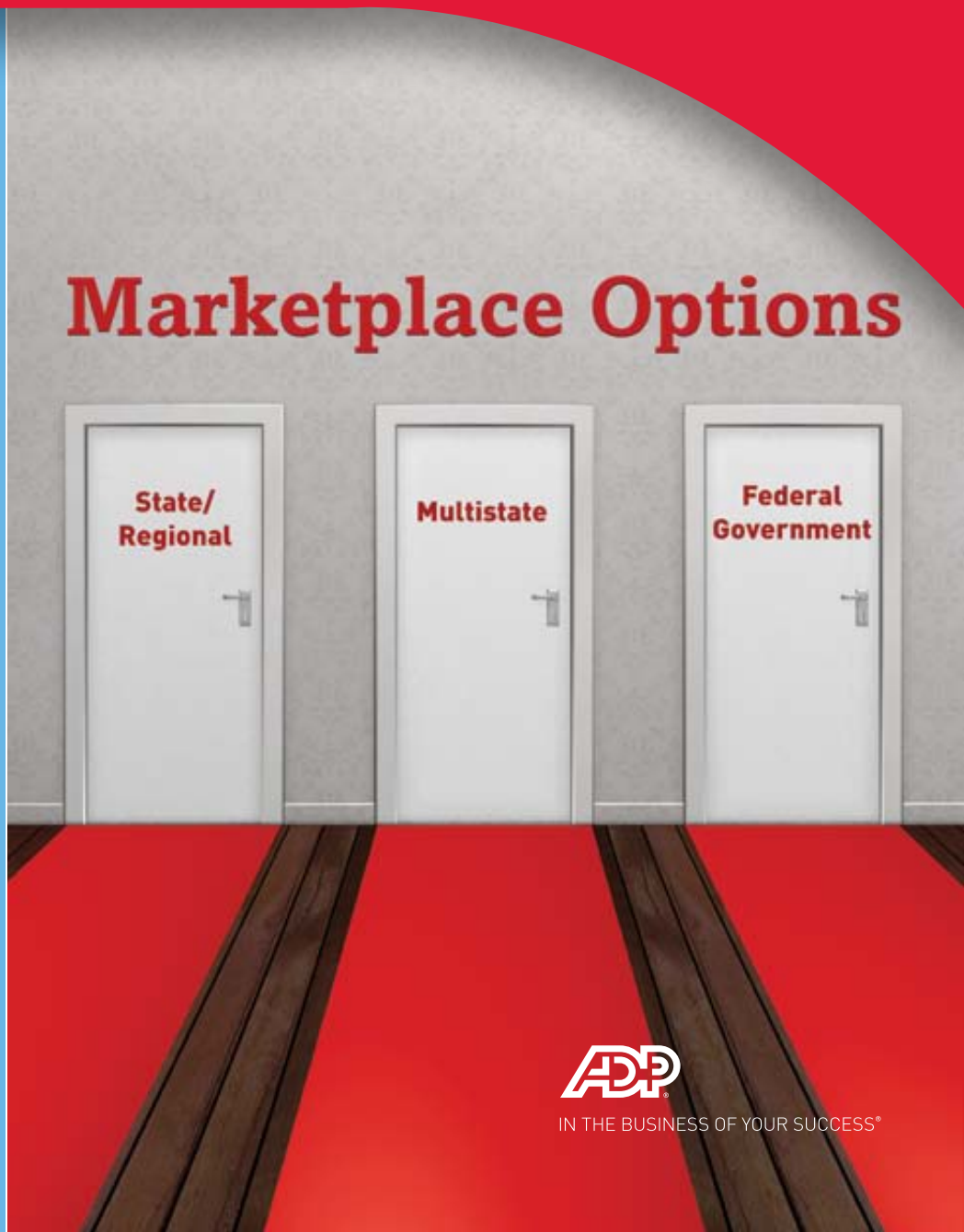
Four Ways Managers Can Affect Employee Engagement

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Volume 15

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What are American Health Insurance Marketplaces?

And What They Mean for Your Business.

A health insurance exchange, also known as a marketplace, is an online shopping center for medical plans. The Affordable Care Act (ACA) gives states three options: they can establish one or more state or regional health insurance exchanges, participate in a multistate exchange, or partner with the federal government to run an exchange. Here's a quick summary of the basics:

- Consumers will have a choice of plans offered by different insurance carriers at different prices.
- The exchanges will take effect by January 1, 2014. If a state chooses not to create one, the federal government will do so on its behalf.
- Open enrollment for the exchanges begins on October 1, 2013.
- Exchanges will be open to individuals in 2014 and to small group employers (up to 100 employees) in 2015. Beginning in 2017, states can permit employers in the large group market to participate.



Peeling Back the Layers

Once online, individuals will choose from a variety of plans administered by private insurance companies, which may include HMO- or PPO-type plans, as well as high-deductible health plans. They are not required to purchase a plan that's included in an exchange.

The exchanges will offer benefits in five categories:

- **Bronze Plan:** Provides essential health benefits, pays for 60 percent of plan costs, and limits annual cost-sharing (out-of-pocket expenses) to the current Health Savings Account (HSA) maximums ($6,350 per individual and $12,700 per family in 2014, subject to change each year).
- **Silver Plan:** Provides essential health benefits, pays for 70 percent of plan costs, and limits annual cost-sharing to the current HSA maximums.
- **Gold Plan:** Provides essential health benefits, pays for 80 percent of plan costs, and limits annual cost-sharing to the current HSA maximums.
- **Platinum Plan:** Provides essential health benefits, pays for 90 percent of plan costs, and limits annual cost-sharing to the current HSA maximums.
- **Catastrophic Plan:** Available to those up to age 30 or to those who are exempt from the mandate to purchase coverage. The actuarial value and the cost of this plan will be less than the Bronze Plan.

Confusion Abounds

With some of the biggest parts of the ACA set to take effect in January, many Americans are still unclear about Health Care Reform. In fact, 42% don't even know what the Affordable Care Act is! Of those 42%, 12% believe it was repealed by Congress, and 7% say it was overturned by the Supreme Court.

Source: Kaiser Family Foundation



States Offering Exchanges

States can create and operate their own marketplace (state-based exchange) or a hybrid called a state partnership exchange, in which the state runs certain functions. A partnership exchange allows states to make key decisions and tailor the marketplace to local needs and market conditions. The federal government will establish and operate a marketplace in those states that do not establish their own.

All marketplaces will launch open enrollment in October 2013.

Visit the Kaiser Family Foundation (http://kff.org/health-reform/state-indicator/health-insurance-exchanges/) for an up-to-date list of state exchanges.

What's in a Name?

Health insurance exchanges were originally called "exchanges." Today the Department of Labor calls them "marketplaces." No matter what name you use, they're websites where Americans can buy medical coverage.

Options for States

State-Based Exchange	State Partnership Exchange	Federally Facilitated Exchange
State operates all exchange activities but can use federal government services for: • **Premium tax-credit and cost-sharing reduction** • **Exemptions** • **Risk-adjustment program** • **Reinsurance program**	State operates all exchange activities for: • **Plan management** • **Consumer assistance**	HHS operates all exchange activities, but state can elect to perform or use federal government services for: • **Reinsurance program** • **Medicaid and CHIP eligibility: assessment or determination***

*Coordinate with the Center for Medicaid and CHIP Services (CMCS) on decisions and protocols.

Source: National Conference of State Legislatures

Assistance for Low-Income Americans

An individual who wishes to purchase insurance through the exchange but cannot afford it may be eligible for a government subsidy based on income and family size. For example, if a participant's annual income is higher than 100 percent (or in some states, 133 percent) of the federal poverty level (FPL)* but less than 400 percent of the FPL, he or she may be eligible for a tax credit to help pay the health plan's premiums and out-of-pocket expenses.

For other participants, the exchanges won't be able to charge participants more based on their health status, pregnancy, or disability. Also, insurers won't be allowed to charge more based on gender, and there will be limits on how much premiums can vary based on age. And rate increases of 10 percent or more will be subject to review.

Individuals who are eligible for Medicaid will not qualify for an exchange subsidy.

*The federal poverty level varies according to family size. For details on income levels generally used as guidelines, visit www.familiesusa.org.



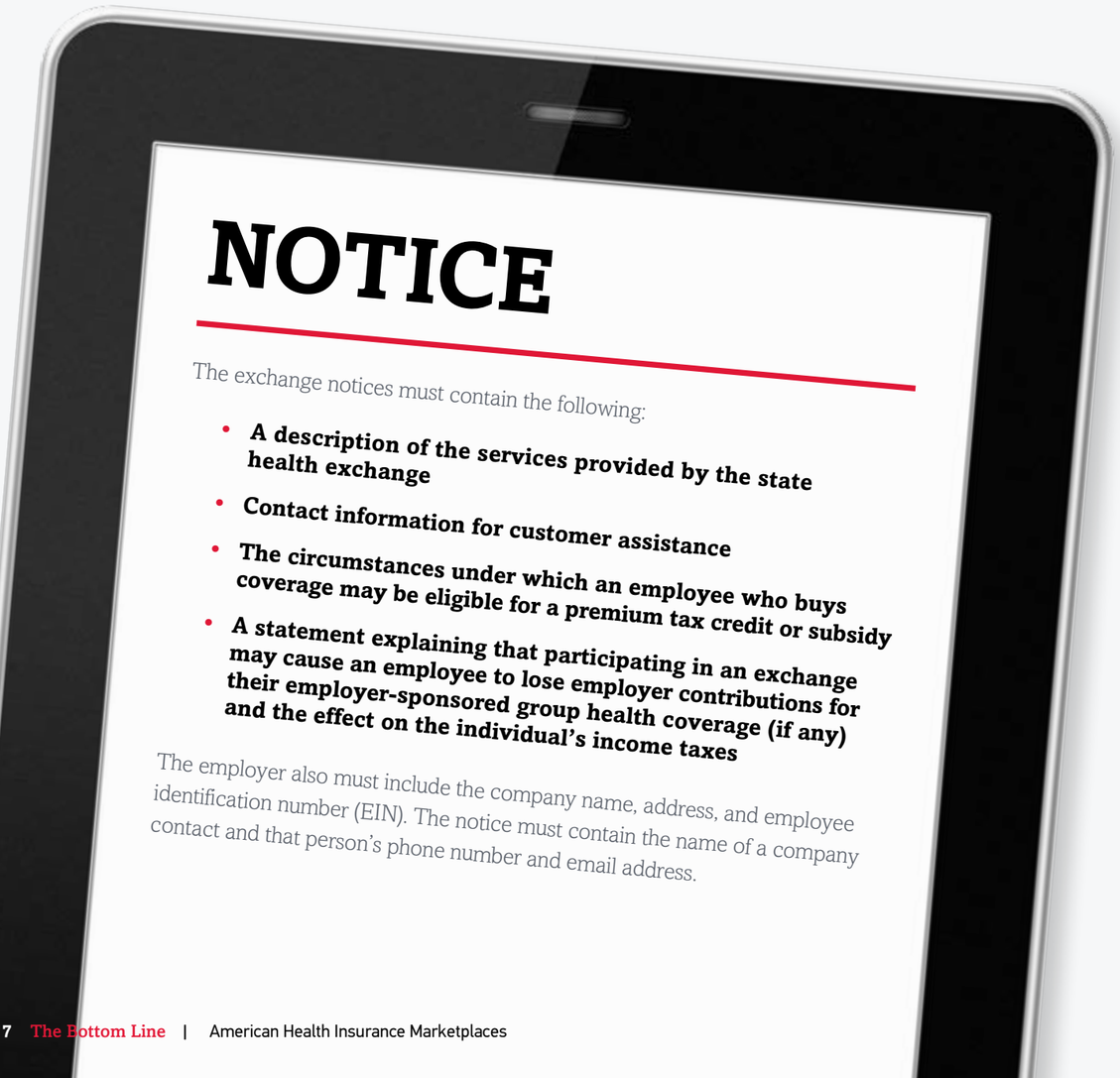
Notification About the Exchanges

In May 2013, the Department of Labor Employee Benefits Security Administration (EBSA) issued guidance about the notices that employers are required to provide to employees. They must be sent no later than October 1, 2013 to all current employees, including part-time staffers and those not enrolled in a company-sponsored medical plan. Anyone hired after October 1 must receive the notice within 14 days of their start date. It can be distributed either by first-class mail or electronically (as long as it meets the Department of Labor electronic disclosure requirements).

The EBSA released two model notices, one for employers offering a health plan to some or all employees, and one for employers not offering a health plan. Companies can use a model notice or create one of their own, provided it has all the required information and is understandable by the average employee.

Updated COBRA Notice

In addition to the model notices for the exchanges, the EBSA released a modified COBRA notice. It includes information telling qualified beneficiaries about the availability of coverage through the exchanges.



The exchange notices must contain the following:

- **A description of the services provided by the state health exchange**
- **Contact information for customer assistance**
- **The circumstances under which an employee who buys coverage may be eligible for a premium tax credit or subsidy**
- **A statement explaining that participating in an exchange may cause an employee to lose employer contributions for their employer-sponsored group health coverage (if any) and the effect on the individual's income taxes**

The employer also must include the company name, address, and employee identification number (EIN). The notice must contain the name of a company contact and that person's phone number and email address.

Small Business Health Options Program (SHOP) Partially Delayed

The ACA contains provisions that gives small businesses the option of purchasing coverage through the SHOP exchange. The goal of SHOP is to enable businesses of up to 100 employees to offer workers a choice of medical options at a range of prices. It was intended that the SHOP exchange offer several health coverage options for employees of small businesses to choose from.

Originally slated to be available on January 1, 2014, the employee choice option through the SHOP exchanges has been postponed until 2015 for the 33 states in which the federal government runs the exchange. Instead, employers can offer a single medical option to their workers through the SHOP exchange in 2014. Some states running their own exchanges, such as California and Connecticut, can choose to offer multiple medical insurance options through SHOP exchanges, but they may choose to delay until 2015 as well.

The Employer Mandate

The postponement partial delay of the SHOP exchanges does not mean that small businesses are exempt from the requirement to offer affordable medical coverage that meets certain standards.

- **Beginning January 1, 2015**, if a company doesn't comply and fails to offer coverage, and any employee — even just one — ends up getting coverage *that is subsidized* by the federal government, the company will owe a $2,000 penalty for every full-time employee on the payroll (excluding the first 30 employees).
- Conversely, if an employee does not qualify for a subsidy and purchases coverage in a state or federal exchange that is less expensive than the employer's coverage, the company won't pay a penalty. The penalty is triggered by the receipt of a subsidy by an employee.
- In the event that an employer with **50 or more** employees offers coverage, but at least one full-time employee receives a premium tax credit, the employer will pay the lesser of $3,000 for each employee receiving a premium credit or $2,000 for each full-time employee, excluding the first 30 employees.

Exchanges at the Heart of the ACA

The ACA is a complex set of regulations, and the more sophisticated parts of it will take effect in 2014 in the form of health insurance exchanges. As the rest of 2013 unfolds, you and your employees will need to make critical decisions about healthcare coverage, but you won't be alone. For the foreseeable future, the entire country will be learning how to navigate the new ways in which health care will be administered and delivered.

Small Business As Usual

The ACA employer mandate means that companies with at least 50 full-time-equivalent employees must provide workers with medical insurance starting in 2015.

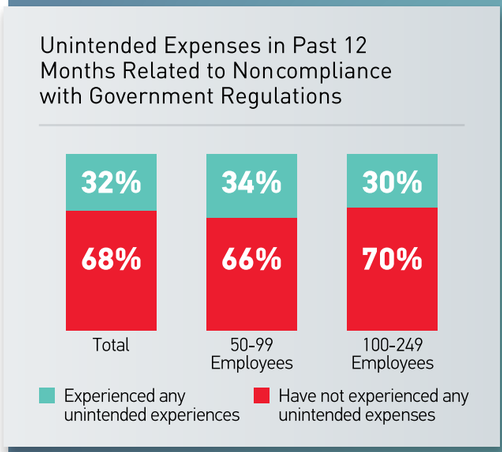
For most companies, this means nothing's changed. About 73% of firms with 10–24 employees offered health insurance in 2012, according to the Kaiser Family Foundation. Of firms with 25–49 workers, 87% offered insurance in 2012.



As your trusted HR partner, ADP Resource® assists you in meeting your ACA compliance obligations and provides ready access to timely information on the implications of new regulations in the evolving HCR environment. Working with ADP Resource, your company can leverage its tool kits, technology solutions, and HR best practices to deliver a human-resource offering that meets your unique needs. ■

Stay Smart About
EQUAL EMPLOYMENT OPPORTUNITY LAWS





Nothing keeps a business leader awake at night more than the problems that come with a violation of government regulations, including federal equal employment opportunity (EEO) laws. In fact, business owners and executives say it's their third biggest concern, following health coverage and slow economic growth. The ADP Research Institute℠ reports that in the past 12 months, noncompliance with government regulations resulted in unintended expenses for about one-third of smaller companies.

And it's not just the dollar costs that hurt. Anytime there's a real or perceived violation of EEO regulations, it damages employee engagement as well. It's a distraction and can seriously affect your organization's reputation with customers, potential new hires, and the community.

Getting Your Arms Around EEO Laws

The Equal Employment Opportunity Commission (EEOC) enforces employment laws that are designed to prevent workplace discrimination. The EEOC has jurisdiction over any business with at least 15 employees. There are two basic areas in which an employer can be in violation of EEO laws: recruitment and on the job.

Recruitment

You can avoid EEO problems during the recruitment process by:

- Scrubbing job postings for potential violations. Make sure your postings don't ask for information that discriminates on the basis of age, gender, ethnicity, or any other protected category. In other words, if it's not relevant to the job, don't include it.
- Recruiting openly. To help ensure a diverse workforce, companies should not recruit exclusively from specific applicant pools.
- Letting all apply. Unless someone is not legally eligible to work (e.g., too young), allowing all interested candidates to apply helps avoid complaints of discrimination.
- Asking only questions relevant to the job. Don't ask personal information, such as age, family status, political affiliations, or participation in groups or organizations. Take care even during informal discussions, such as making small talk before and after the "official" interview.
- Being prepared for special-needs candidates. As long as it doesn't create an undue financial burden on your organization, the EEOC requires certain accommodations for special-needs recruits. For example, you may be asked to provide a sign-language interpreter for a hearing-impaired candidate.

On the Job

To prevent actions that could be considered discriminatory, keep these principles in mind during your day-to-day operations:

- Be accommodating. As much as possible, accommodate cultural and religious needs. This includes flexibility on certain holidays and with your company's dress code, if applicable.
- Be fair. Promotions, layoffs, project assignments, discipline, and terminations must be administered equally to employees, no matter their race, age, gender, nationality, religion, disability, or other genetic or cultural factor.
- Be unbiased. Pay should be based on merit and experience. Employee-benefit offerings should be the same for all employees within a specific group. For example, while you may offer different benefits to different business units or union groups within a company, you may not discriminate or offer benefits that are more or less generous based on other reasons, such as gender or age.
- Be proactive. Establish company policies about fairness in the workplace, and put them in writing. Make them available to your entire workforce. Periodic training with supervisors and managers helps keep the rules top of mind with those who are at the greatest risk of violating EEO regulations

Treating all employees fairly and equally is the best way to avoid potential EEO problems. The federal law that applies most frequently in EEO complaints and lawsuits is Title VII of the Civil Rights Act of 1964. Download a copy of the law from the EEOC website (www.eeoc.gov).



Not a Good Trend

The EEOC investigated nearly 100,000 charges of discrimination in 2011. And companies paid $364.6 million as a result. Both are record-setting numbers.

Help for Smaller Companies

The EEOC makes special resources available for smaller businesses and has designated local agents to help you navigate the laws. To find the agent nearest you and other EEO information, go to www.eeoc.gov.

With ADP Resource®, you gain access to an experienced team of HR, risk-management, and compliance experts who can provide the guidance and HR best practices you need to stay on the right side of employment laws and regulations.. In addition, the team proactively monitors changing employment- and workforce-related regulations at the local, state, and federal levels to help you ensure your business remains compliant. Not only will this increase your peace of mind; it allows you to deploy more of your time and resources to growing your business. ■

Understanding E-VERIFY



The debate over immigration reform has taken center stage in Congress. Not surprisingly, E-Verify is also a hot topic. Indeed, according to U.S. Citizenship and Immigration Services (USCIS), more than 409,000 employers, large and small, across the United States use E-Verify to check the employment eligibility of their employees, with about 1,300 new businesses signing up each week.

But what is E-Verify? And how does it work?

E-Verify is an Internet-based system operated by the federal government. It allows any U.S. employer to electronically verify the employment eligibility of all its newly hired employees.

There is no charge to use E-Verify. To participate, an employer must enroll online and electronically sign an agreement, which details the responsibilities of both the employer and the federal government.

How Does It Work?

The verification process begins with a completed Form I-9. Employers are required to complete the form no later than the third business day after the employee starts to work for pay and to keep it on file. E-Verify determines employment eligibility by comparing the information entered in E-Verify from the employee's Form I-9 with the data on record with the Social Security Administration (SSA), Department of Homeland Security (DHS), and Department of State (DOS).

Newly hired employees must complete Section 1 of the Form I-9 in its entirety. Providing a Social Security number on Form I-9 is usually voluntary, but it's required if the employer uses E-Verify.

Any "List B" document presented to an employer participating in E-Verify must contain a photo. If an employee objects to submitting a photo on account of religious reasons, employers should call E-Verify at 888-464-4218. If the employee presents a U.S. Passport, Passport Card, Permanent Resident Card (Form I-551), or an Employment Authorization Document (Form I-766), the employer must obtain a copy of it and retain it with the Form I-9.

Next, an employer electronically creates a "case" in E-Verify, which requires inputting information from Form I-9. This must be done no later than the third business day after the employee starts work for pay.

During the process, an employer may be automatically prompted to compare an employee's photo ID with a photo displayed in E-Verify. It may occur, for example, when an employer creates a case for an employee who has presented a U.S. Passport, Passport Card, Permanent Resident Card, or an Employment Authorization Document for her Form I-9 documentation. When the employer enters the Form I-9 information and it matches government records, the employee's photo automatically displays in E-Verify. An employer simply compares the photo displayed by E-Verify to the photo on the employee's document (or a copy of it) and determines if they're reasonably identical.

Once the information entered by the employer is checked against government records, a result is displayed—most commonly, "Employment Authorized." That means all the information matches and that employment eligibility has been verified. According to U.S. Citizenship and Immigration Services, 98.65 percent of employees are confirmed as authorized to work, either instantly or within 24 hours, requiring no further action.

Sometimes, "Tentative Non-Confirmation" is the initial result, indicating that the information entered into E-Verify does not match SSA records. Similarly, "DHS Verification in Process" means that the information did not match DHS records. These results do not mean the employee is not authorized to work in the U.S.; the government may have out-of-date records, or there may be another legitimate explanation. In either case, the employer must promptly notify the employee, who can then choose whether to contest the result. If he chooses not to, the employer can terminate employment with no civil or criminal liability. If the employee chooses to contest the result, additional steps are taken to determine work eligibility.

A customer-satisfaction survey DHS released in January indicates that employers are very likely to continue participation in E-Verify, with a rating of approximately 90 percent. It also shows that employers have confidence in the accuracy of the program (87 percent) are likely to recommend E-Verify to others (86 percent).

Is E-Verify Required?

E-Verify is voluntary for most employers, but Arizona and Mississippi require all employers to use it. Some states require public contractors to use E-Verify; they include Missouri, Nebraska, Oklahoma, Rhode Island, and Utah.

A presidential executive order and subsequent Federal Acquisition Regulation (FAR) rule also mandate federal contractors to use E-Verify. As of September 8, 2009, employers with federal contracts or subcontracts that contain the FAR E-Verify clause are required to use the system to determine the employment eligibility of employees performing direct, substantial work under those federal contracts, as well as new hires organization-wide—regardless of whether they are working on a federal contract.

What Lies Ahead

The Border Security, Economic Opportunity, and Immigration Modernization Act of 2013 — a comprehensive immigration-reform bill — has been introduced in the U.S. Senate. It contains some powerful enforcement provisions that employers need to keep at the forefront of their minds if it becomes a law.

One such enforcement provision deals with E-Verify. Sponsors of the bill see E-Verify as a tool to ensure that employers hire a legal workforce, as well as one that provides a disincentive to individuals who seek to work illegally in this country. The phase-in period for the bill, ranging from 90 days to four years, would vary according to the company's number of employees. In addition, the bill includes language indicating that employers will be presumed to have knowingly hired an unauthorized worker if they do not verify the individual's work authorization via E-Verify after their mandatory enrollment date.

The new bill would permit employers to utilize a three-day grace period for reverifying the work authorization of employees whose authorization has expired. It also calls for the SSA to create tamper-resistant Social Security Cards to combat document fraud. Lastly, the legislation provides for enhanced photo-matching tools to close up loopholes that have allowed employees to circumvent E-Verify through identity theft and ID borrowing.

For employers in states that require E-Verify, it is critical that Form I-9 information be inputted into E-Verify within three business days of the first day of employment for verification. ADP Resource® has the tools and resources to help you comply with any applicable E-Verify requirements.

FOUR WAYS

Managers Can Affect Employee Engagement

Good economy or bad, an essential factor in better business outcomes is an engaged workforce. At least that's the opinion of the nearly 50,000 businesses surveyed by Gallup, Inc. in 2013.[1] Companies that scored in the top half in employee engagement have nearly double the odds of success compared with those in the bottom half. And those in the 99th percentile have four times the success rate compared with those at the first percentile.

MANAGERS ***DRIVE*** ENGAGEMENT

Clearly, a committed workforce is a key component to achieving your business goals. There are many things that influence employee engagement, but it's the relationship between employees and their managers that matters most. According to a recent workforce-engagement report released by Dale Carnegie & Associates, Inc., the connection between a worker and his or her immediate supervisor is the number-one driver. But what's alarming is that this study also found that of the 1,500 employees surveyed, only 29 percent are fully engaged.

Similarly, a study by global human-resources consulting firm Aon Hewitt found that the two top drivers of employee engagement in North American companies are career opportunities and performance management. And the engagement drivers that are gaining the most ground are communications, recognition, and performance management. What all of these drivers have in common is how heavily they are influenced by the employee-manager relationship.

Engaged Workforce
= Good Business

When your employees are engaged in your success, your organization will have:

- **48%** fewer safety incidents
- **41%** fewer quality incidents (defects)
- **37%** lower absenteeism
- **22%** higher profitability
- **21%** higher productivity

Source: "Engagement at Work: Its Effect on Performance Continues in Tough Economic Times," Gallup, Inc., 2013.

BE ***MORE*** ENGAGING

If you manage employees, what can you do to enhance their engagement? Following are four specific areas in which managers and supervisors interact with workers, which can make a difference:

- **Set clear and attainable goals**
- **Give meaningful and regular feedback**
- **Provide fair and equal rewards and recognition**
- **Create a culture of employee involvement**



1



Set clear and attainable goals

It's hard to feel engaged if you don't know what you need to do or how to do it. These steps can help you motivate employees and set them up for success:

STEP 1. **Identify goals in real-world terms.** Define what employees need to do and how the results will be measured. Be specific about the "what," "how," and "when."

STEP 2. **Involve employees.** Ask them for their input in setting their goals. When employees participate in the process, it gives them more ownership over their objectives and performance.

STEP 3. **Make room for growth.** Include "reach" goals — goals that are attainable but require extra effort to achieve. Challenges provide employees with more opportunity for higher personal and professional growth.

STEP 4. **Assess readiness.** Determine developmental opportunities, including additional skills training and education that can help employees reach their goals.

STEP 5. **Illustrate how the goals relate to the business.** Map the connection between the employee's contributions and the company's success.

2



Give meaningful and regular feedback

From our earliest experiences, we learned through continual feedback: You didn't get one grade at the end of the school year; instead, your teachers kept you informed about your progress with every homework assignment, quiz, project, and report you turned in. In other words, from a young age, you were conditioned to receive regular feedback.

Engaged employees understand what they contribute to the organization because their bosses tell them frequently — with emphasis on the word "frequently." And the more specific the feedback, the better. People need to know how they're doing so they can continue to do the things they do well and make adjustments where they need to.

Plus, maintaining a regular dialogue about performance creates opportunities for:

- An exchange of ideas that can lead to innovation and improved productivity
- Early detection and resolution of problems before they become serious
- Creating a culture of trust and respect

3



Provide fair and equal rewards and recognition

No one has ever complained about receiving too much praise at work.

Most of us associate recognition with rewards — specifically, money. And while more money doesn't hurt, there are other ways to recognize a job well done. It's important to know what works for the individual members of your team. For example, public praise might be greatly appreciated by one worker but make another feel uncomfortable.

To help boost engagement, here are some nonmonetary ways to recognize employees:

- Preferred parking space
- Handwritten note
- Gift card
- Group activities, such as team lunches, bowling, and ball games
- Flexible work schedule
- Extra time off
- Permission to attend a trade association meeting or conference
- Certificate, plaque, or other form of acknowledgement

4



Create a culture of employee involvement

Engaged employees bring new ideas and creativity to their jobs, no matter what their level or position. But it's important to encourage the sharing of ideas. In fact, according to a 2012 study by business consultant John Izzo, Ph.D., the number-one reason employees don't take more initiative at work is that leaders don't pay attention to their input before making decisions. Other key findings from Izzo's research show the importance of open communication:

- Thirty-eight percent of respondents said that "leaders dismissing ideas without exploring these ideas" is the second biggest reason people won't take initiative.
- Another 26 percent said "people not getting rewarded or recognized for playing outside the lines" was a critical factor that kept them from stepping up.

Managers who foster an environment of trust and openness create a culture where employees feel free to offer suggestions and ideas. What you get in return are engaged employees who are actively pursuing new ways to move the business forward and increase your success.

ADDING IT ALL UP

With the economy rebounding and jobless rates dipping, there are reasons to be more optimistic about the future, so there's no better time for managers and supervisors to put a laserlike focus on employee engagement. Engaged employees are more productive, more willing to learn, and more apt to recommend your business to customers and potential employees. In other words, they'll make your business their business.

If you're looking for resources to help your management team enhance employee engagement, ADP Resource® stands ready to assist. From best-practice leadership training to performance-management tools, we can help you and your leadership assess, engage, motivate, and reward a high-performing workforce. ■

BE MORE SOCIAL

If your staff or your customers are asking you to be more social, they probably aren't referring to a company-sponsored happy hour. Well … maybe they are, but more likely, they're thinking about social media too.

Just like a happy hour, social media offers a lot of opportunities for networking and making connections. But, also like a happy hour, if it's not handled responsibly, the hangover can be painful.

MAKE YOURSELF HEARD/ SEEN/FOLLOWED

If you're already using social media, you're in good company. Public-relations firm Weber Shandwick looked at the online activity of CEOs from 50 of the world's largest companies in 2010. At that time, only 36 percent were considered "social," meaning they engaged on a company website, appeared in a video on the company YouTube channel, or had a public and verifiable social-network profile or blog. In 2012, when Weber Shandwick revisited those organizations, the number of "social CEOs" nearly doubled, to 66 percent.

Furthermore, a survey published by marketing consulting firm BRANDfog found that social media–engaged CEOs are either very effective or somewhat effective at:

87.5%	**Raising a brand's profile**
83.9%	**Increasing brand loyalty**
82.5%	**Communicating a company's mission and values**
80.9%	**Attracting new talent**
80.8%	**Increasing purchase intent**

It's not just leaders of the bigger companies who are using social media. A report from online small-business marketer Manta shows that 50 percent of smaller businesses have increased time spent on social media by nearly 55 percent. And they're using platforms like Twitter and Facebook to generate sales leads and get new business.

Whom can you reach with social media? Just about anyone who's important to your business. Social media is a great way for these audiences (in no particular order) to get to know your business better:

- Customers
- Current employees
- Potential employees
- Traditional media
- Vendors and suppliers
- Local community

SOCIAL MEDIA 101

You've probably heard of Facebook and LinkedIn, but in case you're not up to speed on social-media lingo, here's the 411 on some of the more popular terms:

Twitter – An online social-networking and microblogging service where users send and read text-based messages of up to 140 characters, known as tweets. Tweets can include images and links to other tweets or websites. Those who read your tweets are your followers.

YouTube – A website where you can share and view videos.

Instagram – A mobile application that enables you to take photos with a smartphone and post them on a sharing platform. The images are available to visitors to view and comment on. Instagram users can follow your business or brand through Instagram images.

Pinterest – A virtual pin board where users "pin" images of things that interest them. A pinned item includes a link to its original source (such as a website or blog). Pin boards are shared with other users and can be repinned.

Blog – A series of articles or commentary posted online that often includes comments and reactions from readers.

Going viral – A phenomenon that occurs when a tweet, video, or other social-media posting is accessed by many more than the intended audience.

A SIX-STEP PROGRAM

If you're new to the idea or are thinking about dipping your toe into the social-media waters, here's how you can get started.

1: Ease Into It

Start small. Begin with a personal Facebook or LinkedIn account. Follow people on Twitter. Test it out, get comfortable with it. Check out how other companies and their leadership are using social media. Once you get a feel for it, you'll be better able to see how to use social media to your company's advantage.

2: Create a Plan

There's no "do over" with social media, so be thoughtful about how you use it. Develop a strategy and stick to it. Your goals should be integrated with your company's mission, vision, and marketing plan. Make sure to include how you will measure and quantify success. Put your strategy in writing, and make it available to anyone in your company who uses social media to promote your business.

3: Make Time for It

Decide how and how often you'll be using social media to boost your business, then commit to it. Schedule it just as you would a regular client meeting or call. It doesn't have to take more than a few minutes at a time, depending on your message and the media. And be patient. You won't see results overnight or have thousands of followers/viewers/readers the first week. But if your message is compelling, it won't take long for people to notice.

4: Tell Your Story

Speaking of your message, what should you be sharing? The same things you're already telling your customers, employees, and vendors through more traditional media. Channel your passion for your organization into content that speaks to your constituencies. It could be a tweet about a book you found inspirational, a weekly blog that showcases employee innovations and new products and services, or just about anything else you think will tell your story.

5: Draft the Right Team

Depending on the size of your organization, you may not be the only one who should be using social media to promote your business. Typically, marketing, sales, and PR leaders are active users of social media. But it doesn't have to be limited to those functions. Decide where it makes the most sense in your company to be engaged in social media. And make sure your team members are on the same page. It's critical that you have a plan in place and that everyone commits to following it.

6: Listen

Social media is a great way to listen in on what people are saying about your company, its products and services, the employees, and your brand. Sometimes, what you hear won't be positive, but once you know what's being said, you can address it quickly and strategically. Transparency and the way you react to a problem will tell your customers and employees a lot about your brand. So make time to listen, and don't be afraid of what you might hear. Remember that even negative feedback gives you an opportunity to tell your story.

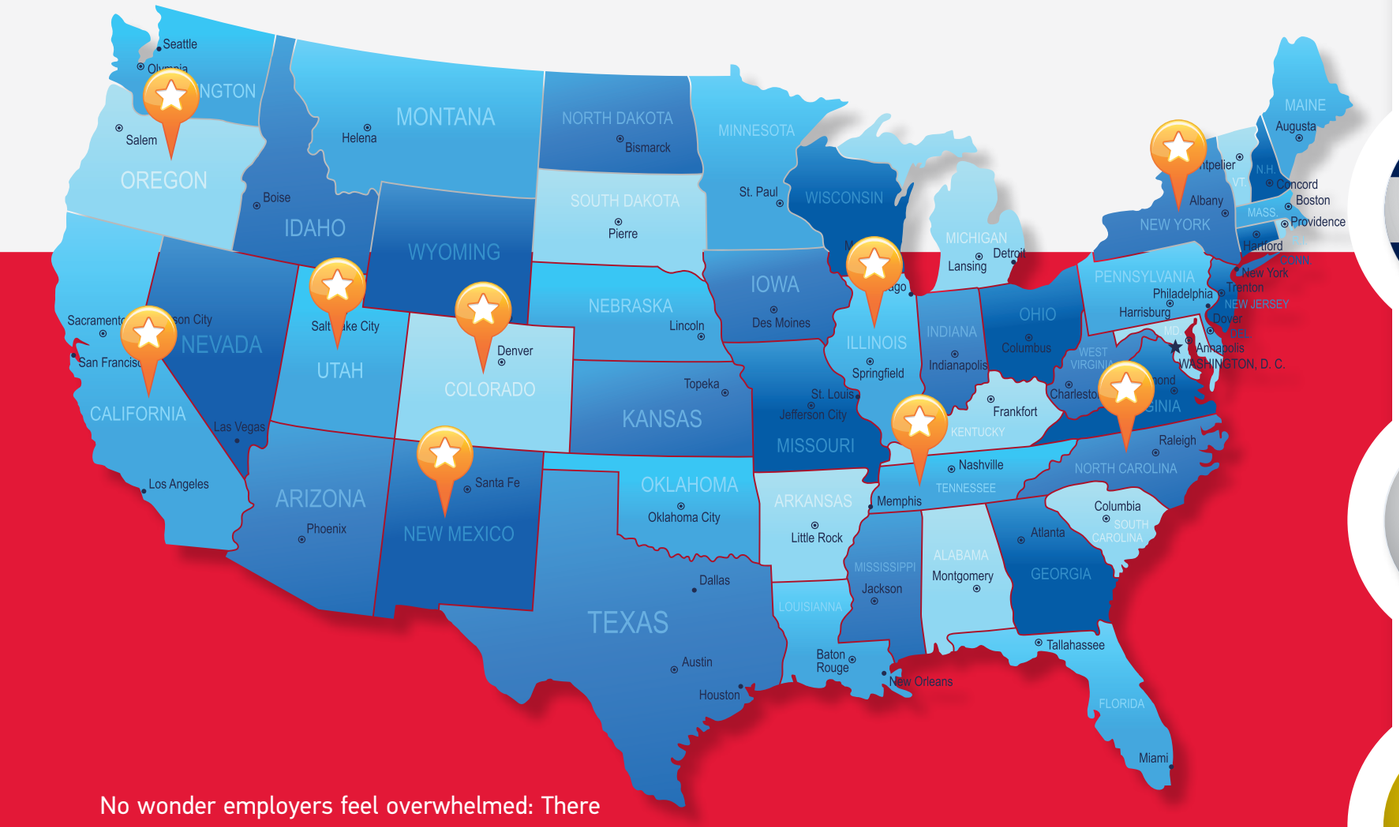
START YOUR OWN ONLINE CONVERSATION

The time is right to begin your own foray into online communication, as more and more company leaders are adapting to and adopting social media. To maximize the benefits, though, employees need to be involved too.

Still, many employers have not established policies that communicate expectations regarding use of social media to employees. This is asking for trouble, especially with frequent changes in the laws and regulations by the federal and state governments and the courts. ADP Resource® is well versed in HR developments and stays on top of new rules that affect social media in the workplace. Think of social media as a conversation with the world. Get out there and get the conversation started! ■

A Year of Change: An Eagle-Eyed Look at 2013's New State and Local Laws

DON'T OVERLOOK THESE NEW EMPLOYMENT LAWS



No wonder employers feel overwhelmed: There are so many employment laws on the books already, and yet state and local governments keep passing more. Here, a summary of the new ones you can't afford to overlook.



CALIFORNIA

As of December 31, 2012, the California Fair Employment and Housing Commission (FEHA) mandates that employees with disabilities be allowed to have assistive animals in the workplace. The new regulations also require employers to accommodate individuals with mental and physical disabilities—now broadly defined to include emotional or mental illness, intellectual or cognitive disability, organic brain syndrome, specific learning disabilities, autism-spectrum disorders, schizophrenia, and chronic or episodic conditions such as clinical depression, bipolar disorder, post-traumatic stress disorder, and obsessive-compulsive disorder.

FEHA issued amended pregnancy regulations, as well, extending coverage to "perceived pregnancy"—defined as "being regarded or treated by an employer or other covered entity as being pregnant or having a related medical condition." With no specifications as to who is in this protected class (which may include those who are not pregnant but, because of a perception that they are, suffer adverse employment actions), it remains to be seen how the Department of Fair Employment and Housing, the Fair Employment and Housing Commission, and the California courts will interpret this term.



COLORADO

As of July 1, 2013, Colorado becomes the ninth state to restrict an employer's right to obtain and use credit information for making employment decisions. Colorado joins California, Connecticut, Hawaii, Illinois, Maryland, Oregon, Vermont, and Washington.

Under the new law, a covered employer who wants access to an employee's credit information must make sure that the data is substantially related to that employee's current or prospective position. The employer cannot require an employee to consent to a credit background check unless (1) the employer is a bank or financial institution; (2) the credit report is required by law; or (3) the employer has a bona fide purpose for obtaining the information, and it's disclosed in writing to the employee.



ILLINOIS

Ordinance 2012-8533, passed unanimously by the Chicago City Council on January 17, 2013, amends the business-license suspension and revocation provisions of the Municipal Code of Chicago. It authorizes the city's commissioner of business affairs and consumer protection to penalize businesses that have violated the Illinois Wage Payment and Collection Act or any other federal or state law regulating the payment of wages.

The commissioner can deny an application for a business license if the applicant has admitted guilt or has been found liable for wage violations in a judicial or administrative proceeding in the five years prior to the date of application. The commissioner is also authorized to initiate proceedings to impose fines and/or suspend or revoke an existing business license. The ordinance is effective July 1, 2013.



NEW MEXICO

A new law signed by New Mexico Governor Susana Martinez makes it illegal for employers to request or require an applicant to provide access to his or her social-media accounts or profiles. The statute appears to apply only to prospective employees, not current ones. The law, signed April 5, 2013, is effective July 1, 2013.

New Mexico also enacted the Fair Pay for Women Act (FPWA), which prohibits wage discrimination based on gender and allows employees to bring such claims to court without first filing with an administrative agency. The FPWA, which took effect in June 2013, applies to all employers with at least four employees. Remedies under the law are expansive and include injunctive relief, damages, attorneys' fees, punitive damages, and potential treble damages.

NEW YORK

On March 13, 2013, by a vote of 44 to 4, the New York City Council overrode Mayor Michael Bloomberg's veto of legislation to prohibit employers from basing employment decisions on a job applicant's unemployed status.

The new legislation (814-A), which became effective June 11, 2013, applies to businesses with at least four employees and protects the "unemployed," or individuals "not having a job, being available for work, and seeking employment." It bars employers from basing employment decisions related to "hiring, compensation or terms, conditions or privileges of employment of an applicant's unemployment."

Additionally, companies are generally prohibited from publishing an ad for a position indicating that being currently employed is a qualification or that the organization will not consider individuals who are not working. Nonetheless, employers may inquire into the circumstances of an applicant's separation from prior employment or consider one's unemployed status where there is a "substantially job-related reason for doing so."

NORTH CAROLINA

Governor Pat McCrory signed into law a comprehensive reform of the state's unemployment-insurance system. This law applies to new claims for unemployment benefits filed on or after July 1, 2013. One of its most significant provisions is the substantial reduction of the maximum weekly benefit amounts paid to the unemployed. Under prior state law, that amount was $535 and varied from year to year as mandated by a statutory formula. The new law reduces the amount to $350, and the quantity will no longer fluctuate from year to year; instead, it will be calculated based on the claimant's average wage during the last two quarters of the individual's base period.

OREGON

The Portland City Council unanimously passed a new sick-leave ordinance that goes into effect January 1, 2014. It imposes significant burdens on employers in addition to mandating up to 40 hours of annual sick leave. The new entitlements apply to all private-sector companies, regardless of their primary business locations.

Under the law, private employers with at least six employees will be required to provide qualifying employees up to 40 hours of paid sick leave per year. Employers with fewer than six employees must provide up to 40 hours of unpaid sick leave per year.

All employees—regardless of whether they are temporary, part-time, or full-time—have the right to use protected sick leave if they work in Portland at least 240 hours in a calendar year. Employees based elsewhere but who travel to Portland for business accrue only benefits for paid work hours within the city limits and are subject to the 240-hour threshold.

TENNESSEE

Governor Bill Haslam signed an amendment to Tennessee's Wage Regulations Act eliminating private suits for state wage-hour violations and giving the state Department of Labor exclusive power to enforce the law. Previously, aggrieved workers could initiate a civil-court proceeding; now they must bring their complaints to the Department. The amendment, signed on April 23, 2013, also provides for an award of reasonable expenses, including attorneys' fees and disbursements, for claims brought under the Act in certain circumstances. The Act protects wage earners from unfair pay practices.



UTAH

Governor Gary R. Herbert signed the Internet Employment Privacy Act (IEPA) into law, which went into effect May 14, 2013. The IEPA prohibits businesses from asking employees or applicants to disclose the username and password to access their "personal Internet account" (as well as taking adverse action against them for refusing to make the disclosure).

It is difficult to keep up with all of the state and local legal developments around the country. ADP Resource® is well versed in HR developments, updates clients about significant new laws and regulations in a timely manner, and offers guidance and HR best practices that allow clients to focus on their business objectives.

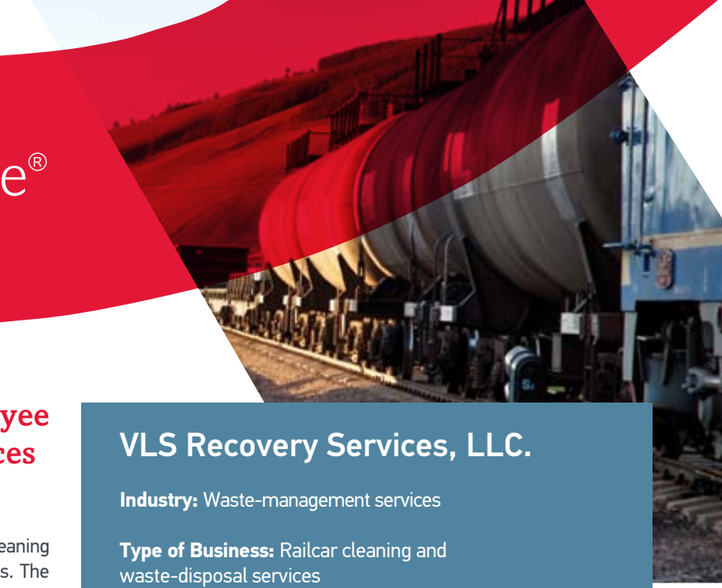
STATE EMPLOYMENT LAW UPDATES

ADP Resource® offers clients relief from legal and regulatory burdens, including the legislation shown here. Timely communication, clear action plans, and helpful resources allow ADP Resource clients to focus on their business objectives.

The following updates reflect a brief summary of recent developments from April to June 2013:

Jurisdiction	Regulatory Development(s)	ADP Resource Action(s)
CALIFORNIA	A California appeals court has held that automobile-service technicians are entitled to separate hourly compensation for time spent waiting to get repair work or performing non-repair tasks. The decision is significant because many employers have used a "pay averaging" system in which all piece-rate earnings are totaled, then divided by the number of hours worked to determine if minimum-wage requirements are being met. The decision means employers are required to pay a separate hourly rate whenever mechanics are not actively engaged in repairs (i.e., productive work).	Alerted clients to the updates and reminded them of the requirements pertaining to piece-rate compensation programs; encouraged clients to review any applicable piece-rate programs with their ADP Payroll Service Representative to help ensure compliance.
COLORADO	A Colorado appeals court has held that an employee's off-duty use of "medical marijuana," although allegedly in accordance with state's medical-marijuana law, was not lawful or protected for purposes of the state's "legal activities" law; therefore, his employer did not violate that law by dismissing him. Currently, 18 states and the District of Columbia have medical-marijuana laws, and others are considering enacting them. The language of these laws varies from state to state. Some impose no obligations on employers (and even declare that they need not accommodate marijuana use at work), while others contain antidiscrimination provisions applicable to employment. In all cases, employers must decide on the policy they will follow, particularly since marijuana is still illegal under federal law.	Alerted clients to the update; provided clarification and guidance on complying with the law.
FEDERAL	In an effort to provide the Office of Federal Contract Compliance Programs (OFCCP) and its compliance officers more flexibility in the review of employer-pay practices, the agency has announced that the compensation standards it uses to determine whether covered contractors have engaged in prohibited pay discrimination have been taken off the books. The OFCCP has also announced it will be carefully reviewing employer consideration of candidates' criminal-history information for systemic discrimination. These directives apply to all covered federal contractors and subcontractors.	Alerted clients to the change; provided HR guidance and best practices to help clients who are federal contractors stay in compliance with the law.
FEDERAL (National Labor Relations Board)	The U.S. Court of Appeals for the District of Columbia Circuit has struck down the rule requiring all employers covered by the National Labor Relations Act to post a notice informing workers of their rights under the Act. The rule would have required approximately six million businesses to conspicuously post a notice informing employees of their right to organize as well as to engage in other protected activities.	Alerted clients to the ruling.
NEW YORK STATE	Governor Andrew Cuomo signed legislation that increases the state minimum-wage rate starting December 31, 2013. This is New York's first minimum-wage increase since July 24, 2009, when it was raised to match the federal minimum wage of $7.25 an hour. The law does not apply to food-service or other tipped employees. Food-service workers must be paid at least $5 per hour, and credit for tips must not exceed $2.25 per hour, provided the total tips received plus wages equals or exceeds $7.25. But the law does authorize Wage Board discussions on increases for tipped employees.	Alerted clients to the changes and provided guidance to help them stay in compliance with the law.
NEW YORK CITY	New York City is poised to require employers to provide their workers with sick days. The City Council, by a vote of 45–3, passed legislation requiring private-sector companies, outside of the manufacturing industry, to provide paid (or unpaid, for certain ones) sick time to employees. While Mayor Michael Bloomberg promises to veto the bill, the City Council appears to have enough votes to override his veto. Some exceptions apply, and the law incorporates rules for sick-time accrual, recordkeeping, and employee notices.	Alerted clients to the new law; provided HR guidance and best practices to help clients stay in compliance.
VIRGINIA	Effective July 1, 2013, employers are prohibited from releasing, communicating, or distributing personal identifying information on current and former employees to a third party. Such information includes a home phone number, mobile-phone number, email address, shift times, or work schedules. This does not apply where such information is (1) required under federal law that would preempt state law; (2) ordered by a court of competent jurisdiction; (3) required pursuant to a warrant issued by a judicial officer; or (4) required by a subpoena issued in a pending civil or criminal case or by discovery in a civil case.	Alerted clients to the new law; provided HR guidance and best practices to help clients stay in compliance.
WYOMING	Wyoming recently passed legislation that permits employers to adopt a "use it or lose it" policy governing vacation time. The new law excludes the value of vacation leave accrued at the date of termination from the definition of "wages" if the employer's written policies say that accrued vacation is forfeited upon termination of employment and those policies are acknowledged in writing by the employee. The new law takes effect July 1, 2013.	Alerted clients to the new law; provided HR guidance and best practices to help clients stay in compliance.

What ADP Resource® Clients Are Saying



Growing business enhances employee engagement – with HR best practices from ADP Resource

VLS Recovery Services, LLC provides state-of-the-art railcar cleaning and waste-disposal services to clients in the southern states. The company, which began in 2007, has grown faster than the overall economy. Today it has 105 employees — more than twice its head count when it opened for business.

"As we grew, we realized that the amount of employer regulations had increased so significantly that we needed specialized expertise in areas such as human resources and risk management. However, hiring full-time specialists was not financially feasible for a company of our size," explains Kevin Dicharry, VLS Recovery Services' chief financial officer.

After exploring other outsourcing options, VLS selected ADP Resource® to deliver the expertise VLS needed — without adding to the Texas-based company's full- or part-time head count.

Dicharry obtains knowledgeable assistance and answers to his questions from a dedicated Human Resources Business Partner (HRBP). The HRBP, assigned by ADP Resource, has access to a team of professionals for extensive assistance with a broad range of functions, including payroll, HR transaction processing, risk and compliance issues, and more.

"Our HRBP is like having another go-to person on your staff," says Dicharry. "I can call him with a question or an issue, and he'll move mountains to get the right answer and resolve any issue, as quickly as possible. He also proactively visits us on-site several times throughout the year. He is always ready to help. For example, when training became a critical need for us — particularly, training for managers and supervisors — he pitched right in and even taught some of the classes himself. That told me a lot about the very high level of commitment that he and ADP have when it comes to helping my company succeed."

In addition to assistance in managing the growing volume of compliance requirements, ADP Resource helps VLS evaluate and resolve employment-related business issues. Chief among these, before ADP Resource arrived, was high turnover among hourly employees. "We had a significant annual turnover rate, which was beginning to have an impact on our business," notes Dicharry. "When an employee would leave, there was a cost involved with finding and training a replacement, not to mention a loss in productivity."

VLS Recovery Services, LLC.

Industry: Waste-management services

Type of Business: Railcar cleaning and waste-disposal services

Location: Headquarters in Hockley, Texas, with employees in Texas, Georgia, South Carolina, and Tennessee.

Number of Employees: Approximately 105

ADP Resource Client: Since December 2009

Why ADP Resource? "ADP Resource is a total solution that offers us the capabilities we need."

— Kevin Dicharry, Chief Financial Officer, VLS Recovery Services

ADP Resource evaluated VLS's needs and presented Dicharry with a Turnover Reduction Strategy. It called for a more comprehensive evaluation of job candidates, as well as a training program to provide employees with the skills they need to do their jobs with consistently high efficiency and personal satisfaction. "The Turnover Reduction Strategy from ADP Resource worked," says Dicharry. "Our training and hiring costs are lower, and the improvement in retention is saving us between $10,000 and $15,000."

ADP Mobile Workforce Solutions® is another cost-saving way that ADP Resource helps VLS improve employee satisfaction and performance. Utilizing ADP Mobile through their personal smartphones, VLS employees can securely access their pay data. "When we started with ADP Mobile, most of our hourly employees wanted paper paychecks. Now the trend is away from paper," says Dicharry. "Employees have gotten to like the anywhere, anytime access, and we are saving on bank fees and a fortune in overnight express shipments because there are far fewer traditional checks going out."

Dicharry says ADP Resource provides VLS with multiple reasons to be a client — comprehensive pre-employment services, risk management, safety programs, and training and development. **"ADP Resource has been there for us all along and helped us with many challenges. We trust their expertise."** ■

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