

# HUMAN RESOURCES GUIDE

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## On-Boarding — Fast Track to Productivity

by Kathi Guiney SPHR, GPHR - President and Sr. HR Solutions Consultant,  
**YES! Your Human Resources Solution.**

**I**t's Monday and your new employee is standing in the lobby waiting to get started. Have you prepared an on-boarding plan? Have you selected a coach?

Traditionally companies begin the employment relationship exchanging lots of information, e.g., completion of forms, review of the handbook, selection of benefits, etc. All the while the new employee is thinking...“I wonder what my co-workers will be like, will I fit it, and will I be a success?”

The objective of on-boarding is more than paper-work compliance; it is creating a bond with the new employee through effective communication and provides guidance on how to be a successful member of



the company. Surveys from Aberdeen show that up to 80% of new hires make a decision in the first six months whether to stay or leave his/her new employer! This is not much time to create a success story.

The key to successful on-boarding is achieving a balance between the exchange of information with learning about the work environment and how to make a positive impact. A key plan component is the on-boarding coach. Below are some important points to note:

- Setting the stage - Before the employee's first day, send a package with the forms required, instructions for completion, a list of nearby food establishments, and a welcome letter from company identifying the coach you have

assigned.

- The coach will be the new employee's go-to person. On the first day the coach will greet the employee, escort them to human resources, give a tour of the work area, make introductions and take the new employee to lunch.

- During the first few weeks the coach will also be a resource for the new employee, answering questions they might hesitate asking human resources or their manager.

- The coach should be selected for knowledge of the company, successful performance and ability to clearly communicate. The coach does not need to be from the new employee's department as this is usually not a skill training role. Being a coach should be a reward and development opportunity for future leadership roles.

- At the core of on-boarding is communication. Regularly scheduled conversations between the employee and coach should happen during the first six months addressing questions such as ... What has been your best experience so far? The biggest challenge encountered? What ideas do you have to make things better? This gives the new employee the chance to give feedback and gives the employer information on how the company is perceived.

- On-boarding takes at least 90 days and more often a six month period. The goal is to ensure that the new employee has been assimilated into the company at the conclusion of this period. How success is measured? Employee satisfaction, retention, strong performance and perhaps creating the next coach!

So that is the role of the company in on-boarding...but what responsibilities does the new employee have to ensure his/her success? Stay tuned for on-boarding Part 2 in an upcoming edition.

**YES! Your Human Resources Solution:** Kathi Guiney SPHR, GPHR and Sara Snoy SPHR, CCP, GRP- leverage HR expertise gained in executive positions to create programs that drive results for small to mid-sized companies. Customized and practical HR solutions that help companies prosper. For more information contact Kathi Guiney at 949-842-2848 or [kathi@yeshrsolution.com](mailto:kathi@yeshrsolution.com).



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# Retirement Plan Restatements Are Due April 30th!

by Doug Jones, Managing Director, Creative Retirement Solutions, LLC

**D**on't delay! If your TPA or document provider has not yet restated your Plan, time is quickly running out! Under Internal Revenue Service rules, most plan sponsors of defined contribution qualified retirement plans must restate their plan for EGTRRA (the Economic Growth and Tax Relief Reconciliation Act of 2001) by no later than April 30, 2010. We can help!

## How we can help

As a third party administrator, Creative Retirement Solutions, LLC (CRS) designs, implements and administers retirement plans. We handle all of the details for you—including government reporting, qualification testing, participant recordkeeping, distributions, trust accounting and audit support.

The key strengths of CRS are our ability to listen to clients to understand their goals and objectives to design plans to meet their needs to provide timely and accurate administrative services. Our goal is to design, install and administer plans that are effective and rewarding, while requiring minimum time-involvement from a client's management team throughout the entire process.

CRS continues to review the plan design and we carefully examine the demographics of your employees (age, compensation level, turnover, education, exempt/non-exempt, etc.) to see what opportunities and/or limitations may arise from this data in designing a plan. We then take care of details such as plan documents, IRS approvals, development of employee communication materials, and enrollment meetings.

## Employee communications

The success of any retirement program depends in part on employees appreciating the value of the plan and understanding their options. This is especially true in 401(k) plans. CRS provides communication support through initial and on-going enrollment meetings (including multilingual services), one-on-one consultation, written communications, etc. We partner with the plan's broker to ensure sound financial education and understanding for the employees.

## Administrative services

Since few small to mid-size businesses have the resources, the personnel, or the desire to manage their benefits programs, our goal is to act as your staff in ongoing administration. CRS offers personalized administrative services where each client has an assigned administrator. This builds a one-to-one relationship, which we know is so important to quality client service. These services include new participant enrollments, participant terminations, loans, hardship withdrawals, account reconciliation, audits, etc. With a professional staff that averages over twenty years with us, our clients appreciate the consistent, responsive, and knowledgeable support they receive.

We will assist in review and/or implementation of:

- Investment Policy Statements (IPS)
- Qualified Default Investment Alternative (QDIA)
- Roth 401(k) Opportunities
- All plan costs
- Automatic Enrollment

## Record-keeping services & internet access

For many plans we partner with large financial institutions that provide easy Internet and/or 800 phone access for participants to view and manage their accounts. For other plans, we handle this process internally and report directly to the participants. In either case, our clients value the ease, the accuracy, and the timeliness of the participant reporting.

*We ask for the opportunity to work with you! The executives at Creative Retirement Solutions, LLC have 30 years experience supporting CPAs, the brokerage community, and independent financial advisors. Please contact Doug Jones with your questions at (714) 573-1900 or see [www.crsplans.com](http://www.crsplans.com).*



## COBRA SUBSIDY - ARE YOU IN COMPLIANCE?

Are you current and compliant with the new Subsidy legislation and how it will affect current and former employees and COBRA participants? Are you aware that the subsidy legislation applies to all employers, regardless of size? Employers with 20 or fewer full and part-time employees for more than 50% of the prior calendar year are defined as Cal-COBRA eligible employers. Employers with 20 or more full and part-time employees for more than 50% of the prior calendar year are subject to federal COBRA.

Insurance carriers administer Cal-COBRA, however the employer must accurately determine the qualifying event. Employers are responsible for administering federal COBRA. The penalty for non-compliance is \$110 per day for failure to comply with the Treasury or Department of Labor determinations within 10 days after receiving notice of the determination.

COBRA eligibility and subsidy eligibility are two different events whose paths may cross.

President Obama signed the American Recovery and Reinvestment Act of 2009 into law on February 17, 2009. This gave eligible participants a new election opportunity and provided a 65% tax subsidy of their applicable premium. It was applicable to those who were involuntarily terminated (for reasons other than gross misconduct) between September 1, 2008 and December 31, 2009, and whose COBRA coverage BEGAN prior to December 31, 2009. The subsidy was for a 9 month period.

On December 19, 2009, the subsidy was revisited and extended from 9 months to 15 months. In addition, the language was changed to read that those who were involuntarily terminated from employment between September 1, 2008 and February 28, 2010 would be eligible.

Most recently, President Obama signed the Temporary Extension Act of 2010 on March 2, 2010. The Act extends the eligibility period for the COBRA subsidy program until March 31, 2010. In addition, the Act introduced new rules regarding the Reduction in Hours Qualifying Events. Previously, an employee who experienced a reduction in hours, but maintained active employment was entitled to COBRA but not the subsidy. Under the new legislation, if that same employee is subsequently involuntarily terminated on between March 2 and March 31, 2010, the employee is eligible for the subsidy. The subsidy duration is limited to the duration of the COBRA coverage; the 18 month coverage period is measured from original reduction in hours event date.

We've touched on the basics of the COBRA and the subsidy. COBRA is a very complex issue that has been complicated by the ARRA and subsequent extensions. The nuances in the original subsidy and extensions are subtle, but can have a significant impact on the proper administration of your plan. Working with the right broker who can bring the correct resources to help you understand and administer COBRA is key to navigating these murky waters.

For more information, please contact Mavis G. Chan, Vice President of Benefits with Brakke-Schafnitz Insurance Brokers at: [mchan@brakkeschafnitz.com](mailto:mchan@brakkeschafnitz.com) or 800-464-3606 x133.



## Doug Jones



Doug Jones is the Managing Director of Creative Retirement Solutions, LLC. He is a Board Member of the Orange County Chapter of the National Institute of Pension Administrators, Board Member of the Orange County Chapter of the Western Pension and Benefits Conference, and is a member of the American Society of Pension Professionals & Actuaries.



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## The Leukemia & Lymphoma Society's Team In Training Corporate Wellness and Team Building Program

**D**

### id You Know?

- Obesity & overweight employees cost U.S. employers more than \$13 billion annually
- Average corporation saves \$4,800 yearly in health care costs on active employees vs. inactive employees
- Nearly three-quarters of Americans prefer to work for companies supportive of charitable causes

### What is Team In Training's Corporate Wellness and Team Building Program?

For over 20 years, The Leukemia & Lymphoma Society's Team In Training (TNT) program has been unparalleled in training people from first timers to seasoned athletes achieve their best at 10ks, marathons, half marathons, triathlons, 100-mile century bike rides and hike adventures. TNT is the world's first, best and largest charity sports training program.

Team In Training now offers you a chance to get your corporation involved. Train with Team In Training to complete an endurance event together and make a difference in the lives of blood cancer patients!

### Benefits

Along with a customized training program, expert coaching and support every step of the way, TNT will improve morale and facilitate team building, promote a healthier lifestyle, collectively give back to the community and make a difference in the lives of cancer patients.

Other benefits include daily training calendars, group trainings with certified coaches, clinics on everything from nutrition to gear, personalized online fundraising page and support, incentives, travel and hotel accommodations and the greatest benefit of all - knowing that you'll be helping cure blood cancers.

### End results

- More productive employees who feel good about themselves while helping to raise funds to fight cancer
- Health care costs decrease as loyalty to the company increases
- Corporate commitment: two-thirds of consumers will switch to a brand that supports a cause they champion

### Your corporation or group can start training soon for any of the following events:

- Knott's Berry Farm Coaster Run 10k or 5k – April 18, 2010
- Cinco De Mayo PCRF 5k or 10k – May 2, 2010
- Rock 'n' Roll San Diego Marathon RELAY - June 6, 2010
- Nike Women's Marathon and Half Marathon – October 17, 2010
- Disneyland Half Marathon – September 5, 2010
- Nautica Malibu Triathlons – September 11-12, 2010
- Cool Breeze Century Ride – August 21, 2010
- Nation's Triathlon, Washington DC – September 11, 2010

Learn more at [www.teamintraining.org/ocie](http://www.teamintraining.org/ocie) or contact Sarah Pizzaruso for more details: [Sarah.Pizzaruso@lls.org](mailto:Sarah.Pizzaruso@lls.org) or 714-481-5618.

## Rebounding Job Market Requires a Fresh Approach From All

**W**

ith the local unemployment rate hovering at just over 10 percent, Orange County continues to struggle against a tough economy. And we are not alone. The national unemployment rate is just a fraction above our own.

But things are looking up. Emerging hiring trends suggest that an economic turnaround is near, particularly in the high-demand fields of Finance & Accounting (FA) and Information Technology (IT).

"Hiring in IT alone is up 40 percent over last year," said Michael Hughes, Market President, Kforce Professional Staffing. "We're also seeing increased demand for temporary positions and consulting engagements, which traditionally signal the start of an economic recovery."

In FA, the ongoing financial crisis has employers placing a high value on professionals with credit analyst and collections experience. Demand for tax and cost accountants also remains high, driven by a decline in the number of new graduates and the region's sizeable manufacturing sector.

IT also has its front runners. Currently, professionals with experience in application development and system upgrades are leading the pack in job opportunities.

However, job seekers must be able to demonstrate more than just proficiency in their given skill set. Today's hiring managers are placing an unprecedented value on soft skills.

"It's all about the attitude," said Hughes. "Employers favor candidates who demonstrate a willingness to dive in head first and generate immediate value, whether through reduced costs, greater efficiencies or higher revenues."

### The advantages of partnering with Kforce

Yet as difficult as the hiring process is for job seekers, it is equally problematic for employers seeking to fill senior FA and IT positions, where unemployment remains under 5 percent. These hard-to-fill positions, coupled with an expected hiring surge as the economy rebounds, make partnering with a staffing firm that takes a consultative approach to recruitment an attractive alternative to managing the process internally.

Firms like Kforce Professional Staffing not only have a significant network of highly qualified IT and FA candidates available to fill full-time, temporary and consulting positions, but they also provide a depth of experience that allows them to guide clients through what will be a rapid and possibly turbulent emergence from recession.

By working with a firm like Kforce, which offers an established local presence and a national footprint, employers are able to focus internal resources on their core business. Kforce's experienced recruiters take on the burden of recruiting and rigorously screening potential candidates to ensure that only the best professional, personal and cultural fits are presented to the employer.

The firm's recruiters also have the expertise necessary to guide clients through the hiring process, including assisting in evaluating current and future needs. This ensures the right level of talent is available when it is needed, now and in the future.

"At Kforce, we believe that great people equal great results," said Hughes. "That is why we focus on understanding our clients' core business and employment requirements so that we can effectively identify the best candidates and deliver great results for all concerned."

Kforce is located at 2603 Main Street, Ste. 1100, Irvine, CA 92614. Call 949.223.1400 for more information.

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# How to Retire Young: Be Lazy and Pessimistic and Hate Your Job

by Steve Healis, Founder, Pass the Baton

**R**etire sooner than ever imagined. Keep your income for the rest of your life. How? Simply by applying three values to your professional life: laziness, pessimism and disdain.

## Value #1: Laziness

Be lazy. Get someone else to do your tasks. If only you can do your job, then you are handcuffed to it. My rule of thumb: if an employee can accomplish 60% of the same task I can accomplish, delegate it. Of course, set high expectations and follow up. But the 60% rule allows you to relinquish more tasks. You also criticize your employees less and celebrate their successes more. As a result of laziness, you work less and enjoy life more.

## Value #2 Pessimism

Actually, I prefer the term "optimistically pessimistic." When my janitorial services company customer would request three cleaners for Monday morning at 9 a.m., my competitors, in the same situation, would schedule three people at 9 a.m. and get frustrated when the expectation wasn't met. With optimistic pessimism at work, I would schedule six people for 8 a.m., because half would not show and the rest would be 45 minutes late. My customers appreciated my optimistic pessimism.

## Value #3 Disdain

Hate your job? Absolutely. Hate the elements of your job that prevent you from reaching your goal. Here is my guide to hating your job and successfully retiring early:

- Graduate from college.
- Get a job at a large company that will train you to sell and manage people. You haven't yet earned the right to be lazy or pessimistic, but definitely to hate your job! Master your skills and seek challenges. Don't plan to retire from the company 30 years down the road — that is a thing of the past. After four years, identify an industry in which you'd like to own a business.
- Join a small to medium sized company in that industry and dedicate yourself to becoming the key employee.
- Buy the company with no money down, using the Pass the Baton business transition model.
- Grow the company and pay off the former owner. Hire and mentor a key employee that will allow you to adopt Value #1 — laziness.
- Sell the company to your key employee via a Baton Partnership, and maintain a steady, substantial, life-long income.

The closer you get to #6, the closer you are to retirement. I retired at 43. It is never too late, but more importantly, it is never too soon. Be lazy, pessimistic and hate your job. And enjoy the



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rest of your life.

*Pass the Baton is a unique method for transitioning business ownership to a key employee, benefiting company owners as well as key employees. Founded by Steve Healis, Pass the Baton is the culmination of his early retirement goals, resulting in the successful sale of his company and a winning solution for all parties. Baton Partnerships enable the seller to secure life-long income, the key employee to gain a rare opportunity for company ownership, and employees to be protected, experiencing a seamless ownership transition. Visit [passthebaton.com](http://passthebaton.com) for details.*



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# Early Release from CA Prisons Puts More Predators in the Job Market

## What you can do to mitigate your company's risk

Last year, the California legislature passed a law that would release 6,500 "low-level" offenders from the prison population, including inmates incarcerated for nonviolent crimes such as theft and drug possession. The legislation was designed to alleviate some of California's financial woes and prison overcrowding.

But in an effort to help the state's bank account, legislators have overlooked the impact that companies will deal with when these ex-cons enter the workforce. Now, more than ever before, HR Managers are challenged to ensure that the individuals they hire do not bring toxicity into the workplace.

### Background checks

One way to meet this challenge is to perform a thorough background check on each individual before he is hired. A thorough background check can uncover potential issues that could leave a company and its employees vulnerable to violence, theft, negligence, and other criminal behavior; issues that can put a company at risk and result in lost productivity, turnover, and even lawsuits or other legal action.

Consider these real-world horror stories in which the victims and companies could have been protected if the companies had conducted pre-employment background checks:

In 1979, a female car rental agency employee was raped by a coworker. The courts held the rental car agency responsible because the company failed to run a background check on the attacker who had a criminal record. The company was instructed to pay damages to the victim.

A national non-profit organization was ordered to pay \$5 million to the family of a girl who was raped and murdered by their employee who was on parole. The company did not conduct a background check, and so did not know that the employee had previously murdered another person.

Employers have an obligation to provide a safe work environment for all employees. Courts are tough on companies that fail to use reasonable care in the hiring process to weed out an applicant who has demonstrated potential to harm to a third party. Companies are liable and can be sued for the actions of that employee.

Simple pre-employment background checks can go a long way in preventing workplace violence and theft. Here are some points to consider when running a background check on a potential hire:

Is the information reliable? The most comprehensive information comes directly from local

courthouses. Make sure that the company you choose to run your background check is not using a national database, which is likely incomplete or may be reporting outdated information.

What type of information is checked? A good background check company will search records for the last seven years to find whether there are any felonies or misdemeanors on a applicant's record.

### Knowing where to look

Are you looking in the right place? It is important to search pertinent local courthouse records to retrieve the most comprehensive information available. There are thousands of criminal indexes maintained at the county, parish, township, and city levels throughout the United States. In order to conduct an accurate nationwide search, all these indexes would need to be accessed. This is difficult, time-consuming, expensive, and virtually impossible. It is important that you find out where your candidate has been and search the records for that area.

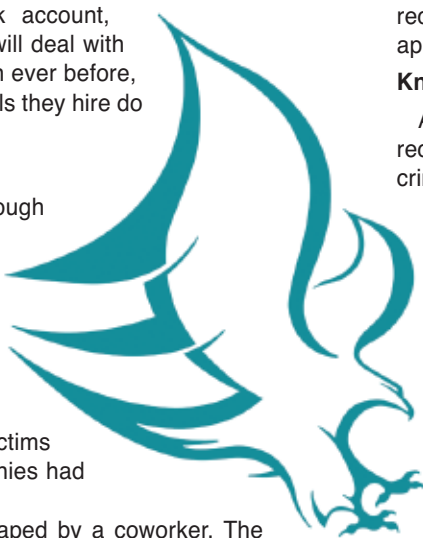
There is no national database of criminal records available to the private sector. Only the FBI has a nationwide criminal database (known as the NCIC - National Crime Information Center). The NCIC is not available to the public and can only be accessed by criminal justice agencies, and not all states even report to the NCIC. There are strict penalties for unauthorized access to the NCIC.

While it is true that some proprietary databases have been created to accumulate information, these databases contain insufficient information to make hiring decisions, and violate the Fair Credit Reporting Act (FCRA). For compliance with the FCRA, any records found within these database searches must be cross-checked with an onsite county courthouse record search.

With all of this information to consider, it is possible for a HR Manager to become overwhelmed. However, a little education and due diligence goes a long way in ensuring that a company's workforce is free from dysfunction, and the company is protected.

If you have any questions about how and when to perform background checks, we at Alar Staffing can help. For more than 20 years, we have helped HR Managers make informed decisions and create healthy, happy, productive workforces. Call us today at (714) 667-3100 to talk to an Alar representative.

More information about background checks is available on our website: [www.alarstaffing.com](http://www.alarstaffing.com) or on our blog at <http://blog.alarstaffing.com/tag/background-checks/>.



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**CHALLENGE:** In a medical device company, they were spending on benefits and providing recognition programs, but employees weren't motivated nor were costs competitive.

**YES! SOLUTION:** Researched the community for benefits programs that work, and surveyed employees on best ways to motivate them. Optimized programs and ensured employee buy-in through effective communications.

**CHALLENGE:** In a consumer products distribution company, they were suffering from unrelenting turnover, as well as new employees struggling to get up to speed.

**YES! SOLUTION:** Analyzed sourcing and selection practices. Refined and maximized hiring process including on-line assessment tool. Revitalized the job-training program.

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Orange County's natural environment makes the OC a desirable place in which to live, work and play. But as more people move into the county to take advantage of its climate, recreation, master-planned communities and educational institutions, the environmental impact becomes apparent. "Green" initiatives are gaining momentum as OC residents and companies adopt eco-friendly choices and business models to sustain—and improve—the quality of our environment.

On April 19, 2010, the Business Journal will publish our **Going Green Advertising Supplement**, which showcases the many ways that OC businesses are contributing to a healthier, more resource-conscious community. Advertisers have the opportunity to highlight their cutting-edge "green" products, services, facilities, expertise and solutions to our executive readership.

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