HR AND LABOR LAW ASSISTANCE

Do you wish you had an expert you could call every time a question comes up about whether you are complying with labor laws? Is it impossible to find enough hours in the day to develop new policies and procedures? There are a number of organizations that can help with many HR issues including your questions requiring expertise in Labor Laws. They generally also have sample employee handbooks, template policies, etc that can be customized for your organization. The Society for Human Resources Management is one organization that comes highly recommended by many ski resorts. Check out their website at: http://www.shrm.org Other examples of organizations that have similar resources are: Mountain States Employers Council or the California Chamber of Commerce. Belonging to one of these organizations can save you countless hours and give you peace of mind!

MARCH MADNESS IS HERE!

Yes, here we are…the month where the highest level of work related injuries are reported by ski area employees. Step up your safety message…especially to be aware of changing conditions. Consistently investigate all reported injuries. If employees know you will ask questions and get witness statements, they will be less inclined to be tempted to “confuse” injuries that occurred on their personal time with being work related.

NEW COBRA REQUIREMENTS

The economic stimulus package signed into law on February 17, 2009 includes new subsidy requirements for COBRA premiums that are likely to impact insurance agents and brokers that administer health benefits for clients. This message is intended to provide a very general description of what the new law requires and the resulting compliance obligations.

- The new COBRA subsidies become effective as of March 1, 2009 for plans that charge COBRA premiums on a monthly basis. Note that the new subsidies apply broadly – not just to plans that are subject to COBRA, but also to those that are subject to state continuation of coverage laws, such as small plan.

- Notwithstanding the March 1, 2009 effective date, the compliance tasks that are immediately at hand are internal ones. For example, systems must immediately be set up that will facilitate the premium subsidization process, such as billing and accounting mechanisms capable of recognizing that payment of COBRA premiums is being split between a covered individual, and the employer or health plan. Such processes also need to be capable of keeping track of the amounts paid by the employer or health plan so that these amounts can be recouped. Significantly, the legislation appears to allow an additional two months, that is, the months of March and April, during which covered individuals may be charged the full premium, so long as the employer or health plan repays the subsidy amount to the individual. This means there are two extra months to set up the internal mechanisms necessary to facilitate the subsidy process.

- Employers should also immediately begin to develop a process of identifying employees who were terminated on or after September 1, 2008, determining which of these terminations were involuntary, and determining which of these former employees have and have not elected COBRA coverage. It should be noted that because of some vagueness in the law’s language, the new special COBRA notices required by the law should be provided to all individuals who become eligible for COBRA for any reason during the period beginning September 1, 2008 and ending December 31, 2009, including individuals who clearly would not be eligible for the subsidy. Moreover, new notices should be provided to any individuals who became eligible for COBRA beginning September 1, 2008 and had already been given a COBRA notice before the new law’s enactment.

- However, the deadline for providing these notices is not until 60 days after enactment of the new law, that is, April 18, 2009. The Department of Labor is required to publish, within 30 days (i.e., by March 19, 2009), model notices that can be used to fulfill the COBRA special notice requirement. Accordingly, it is recommended that notices not be sent out until the model notices are available for review, as reliance on the models should provide a safe harbor with respect to the substance of the special notices.

This publication is intended to be a general discussion of the matters contained herein and the information should not be used in making a decision concerning the subject matter without consulting with your attorney, accountant, or insurance professional. Wells Fargo Special Risks assumes no responsibility whatsoever in connection with its use.

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