

2009 HR Compliance Changes Bulletin

What You Need to Know

Staying informed about compliance law changes and new government policies is the responsibility of every HR manager and administrator. For 2009, new laws were passed while some existing regulations were amended. This bulletin addresses four changes that may impact your organization. Links to Web sites with detailed and official information are provided.

Increased 401k Catch-Up Limit

401k plans will now allow for participants age 50 or over to make catch-up contributions in addition to regular 401k contributions, during the calendar year. The limit of this catch-up contribution has changed from \$5,000 in 2008, to \$5,500 in 2009. The regular 401k employee contribution limit for 2009 is \$16,500 (the prior limit was \$15,500 in 2008). As a result, 401k participants age 50 and over can contribute a maximum of \$22,000 during the calendar year of 2009.

For more information, visit: <http://www.401klookup.com/maximum-401k-contributions.html>.

VETS-100A Report

Companies with federal contracts of \$100,000 or more entered on or after Dec. 1, 2003, are now required to file the VETS-100A form. Old contracts entered before Dec. 1, 2003, can continue to file the VETS-100 report. Contracts modified on or after Dec. 1, 2003 are considered new contracts and must also file the VETS-100A report. Companies with both kinds of contracts (old and new) must file both reports.

Categories for the new VETS-100A report are slightly different than the VETS-100 report. The new categories for veterans are:

- Disabled veteran
- Armed Forces Service Medal veteran
- Other protected veteran
- Recently separated veteran

The first annual reports are due by Sep. 30, 2009.

For more information visit: <http://www.dol.gov/vets/contractor/main.htm>.

FMLA Entitlement Changes

FMLA regulations have been changed to include a new military family leave entitlement for qualifying employees. The new entitlements offer the following to eligible family members:

- Up to 12 weeks of leave for certain qualifying exigencies arising out of a covered military member's active duty status, or notification of an impending call or order to active duty status, in support of a contingency operation.
- Up to 26 weeks of leave in a single 12-month period to care for a covered service member recovering from a serious injury or illness incurred in the line of duty on active duty. Eligible employees are entitled to a combined total of up to 26 weeks of all types of FMLA leave during the single 12-month period.

For more information, visit: <http://www.dol.gov/esa/whd/fmla/finalrule.htm>.

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COBRA Amendments

The American Recovery and Reinvestment Act (ARRA) of 2009 was signed into law on Feb. 17, 2009, and brings temporary changes to COBRA premium payment responsibility. Eligible individuals now pay only 35 percent of their COBRA premiums, and the remaining 65 percent is reimbursed to the coverage provider through a tax credit.

The premium reduction applies to periods of health coverage beginning on or after Feb. 17, 2009 and lasts for up to nine months for those eligible for COBRA during the period beginning Sep. 1, 2008 and ending Dec. 31, 2009, due to an involuntary termination of employment that occurred during that period.

For more information, visit <http://www.dol.gov/ebsa/cobra.html>.

Automating HR Processes Makes Compliance Management Much Easier

The right HRIS system will automate these critical compliance procedures and many more, making managing and reporting compliance data more accurate, fast and efficient.

Ascentis HR helps HR managers and administrators nationwide manage regulatory and compliance obligations by:

- Automating the enforcement of 401k catch-up contribution limits.
- Generating VETS-100 and VETS-100A reports.
- Tracking FMLA leave for eligible employees.
- Managing and tracking COBRA eligibility, notifications and payments.

Companies rely on Ascentis HR to automate compliance along with other critical HR processes, including managing and storing employee data, full-scale benefits management, employee self-service, open enrollment, reporting, compensation modeling and management, and electronic connections to insurance carriers.

Ascentis HR software and online payroll services reduce administrative costs for more than 1,500 U.S. and Canadian-based companies.

For more information about Ascentis HR and payroll software and services, call 1.800.229.2713, visit www.Ascentis.com, or e-mail info@ascentis.com.

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