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South Dakota's Unemployment Law Changes in 2010 Unemployment

Two new laws enacted this year change the state's unemployment code in several ways.

House Bill 1018, signed on March 12, 2010, and effective July 1, 2010, makes two changes. It allows part-timers to collect jobless benefits if they were laid off from a part-time job and are seeking another part-time job. It also allows claimants to collect benefits while enrolled in training programs. In the latter situation, claimants qualify only if they've exhausted all rights to regular and extended benefits, are not receiving any other stipends and are making satisfactory progress in the programs.

In exchange for making these changes, South Dakota qualifies for \$11.8 million in stimulus funds. Both the South Dakota AFL-CIO and the South Dakota Chamber of Commerce backed the bill, according to Christine Owens, executive director of the National Employment Law Project, an advocacy group.

"[T]he federal stimulus legislation has produced an unprecedented wave of state reforms, bringing tens of thousands of deserving workers into the unemployment system to get back on their feet and contribute to economic recovery," said Owens. "We are excited to see South Dakota become the first state this year to take advantage of this tremendous resource, [and we] strongly encourage more states do the same."

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Time for a Health Care Reform Checkup

SAN DIEGO—Even though many provisions of the landmark U.S. health care reform law don't take effect until 2014 or later, HR professionals need to study the law and its impact on their organizations now and throughout this decade, they were told June 27 at the first of six sessions on the subject at SHRM's 2010 Annual Conference & Exposition here.

"If you haven't started talking about it, you need to start talking about it," remarked presenter Michael P. Aitken, SHRM's director of government affairs, in a session titled "Health Care Reform & HR: One 'Check Up' You Shouldn't Miss."

Many of the decisions that employers will be forced to make in a few years—such as whether to offer health coverage to employees or pay a fine—will be influenced by decisions made before then on a number of issues, such as whether to change insurers and whether to pass on more costs to employees, said Aitken. "Don't think of these things as a single rifle shot," he advised. "It's not just the out years like 2014, when the 'Cadillac' tax [on high-value health plans] takes effect. "You've got to look at those implications now."

He noted that when he considers the most significant laws enacted in the U.S. in the past 50 years, "I can't think of one that is bigger than this in terms of its impact on HR. ... It might be a wise investment right now to sit down and do some modeling" to help anticipate what changes might put the organization in the best position to weather the storm of reform.

"You don't want to be rushing around at the last minute making these changes," he said.

Aitken said recent SHRM and Gallup polls showed that HR will need to play a big role in communicating to employees and to senior management about the impact of the legislation and subsequent regulations. "People don't know what's in this bill. ... We're still finding things." Added Aitken: "Your employees are just as curious about this as you are."

And to prove him right, attendees at Sunday's session peppered Aitken with questions about the law—demonstrating their commitment to staying on top of the issues. Will the requirement to report the value of health plans on W2 forms lead to a new tax? If I change providers, will my plan lose its "grandfathered" status? How does the law affect expatriate employees?

"You're asking very practical and very good, solid questions," some of which will require discussion with federal regulators. Aitken cautioned that some aspects of reform remain fluid: More regulations are being developed, and Congress will be making technical corrections to the law. But it likely won't be repealed because of the large number of votes it takes to override a presidential veto.

Aitken reminded attendees that although a mandate taking effect in 2014 requires that employers offer coverage or pay a fine, it does not require that employers pay for the coverage. And he said that there are some questions about the law that no one can answer yet, such as the effective date of the provision requiring that nursing mothers be given special rooms, and whether they should be paid for time nursing.

Aitken noted the many resources SHRM offers to help HR professionals learn about the law, including a special web page (www.shrm.org/healthcare) and interactive timeline detailing highlights of the law. "You're going to be spending a lot of time on this in the next five years," he concluded.

Steve Bates is manager of online editorial content for SHRM.



Meet the 2010 Board of Directors

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Board of Directors consists of six persons which include: President, President Elect, Secretary, Treasurer, Past-President, and two (2) Directors-at-Large.

All candidates for the Board of Directors must be members of the Chapter in good standing at the time of nomination or appointment. Per SHRM Bylaws, the President must be a current member in good standing with the national SHRM organization. Board members may not be elected to serve more than two (2) consecutive terms in the same position.

Members of the Board of Directors shall be elected at the April meeting of the membership from the proposed slate of the nominating committee appointed by the Board of Directors at the beginning of each election year. Except for the Directors-at-Large, whose term shall be two (2) years, each elected Director shall assume office on June 1 following his/her election and shall hold office for one year or until his/her successor is elected and takes office.

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Law Increases Taxable Wage Base and Maximum Tax Rate

Senate Bill 186, signed on March 4, 2010, and effective immediately, also makes a number of changes to the state's unemployment law.

Higher taxable wage base. The amount of earnings on which unemployment contributions are based—known as the taxable wage base—will go up in several steps from its current \$10,000 until it reaches \$15,000 on January 1, 2015. According to a legislative analysis, South Dakota's current \$10,000 wage base is one of the lowest among its neighboring states.

Higher maximum tax rate. The maximum tax rate, previously 8.5 percent, will now be 9.5 percent, with higher rates for employers with negative account balances.

Eligibility for zero tax rate. Now employers must have \$675 per employee in their accounts to qualify for the zero rate; until now, that figure was \$432.

Cap on the surcharge. Employers are currently paying a surcharge, an extra fee that kicks in by law when the balance in the trust fund, from which benefits are paid, gets below a certain level. The surcharge is currently on, but this bill caps the surcharge rate at 1.0 percent (\$100 per employee) in 2010 and 0.75 percent (\$82.50 per employee) in 2011.

Diane Cadrain is an attorney who has been writing about employment law issues for more than 20 years. She is a member of the Human Resource Association of Central Connecticut.

EXTRA



Formal Green Programs Expand

The number of U.S. employers with formal green workplace programs rose from 43 percent in 2009 to 53 percent in 2010, according to a survey of 100 U.S. companies.



Fraud Is Common, Hard to Detect

Occupational fraud doesn't just hit large organizations, and it's often difficult to detect. U.S. organizations lose an estimated 7 percent of revenue annually to embezzlement and other crimes. Manufacturing, banking and insurance companies bear the brunt.

CALENDAR OF EVENTS

September 15: Health Care Reform Update, Elizabeth Mendelson with Wellmark Blue Cross Blue Shield.

Location: Brookings Library

Meeting Fees: Cost for members: \$9.00, Non-members: \$25.00

Credits: Pending approval.

Presentation time: TBD



October 20: Termination Checklist, Steve Bogue with McGrath North.

Meeting Fees: Cost for members: \$9.00, Non-members: \$25.00

Location: Library pending

November 17: (TENTATIVE) James Marsh, SD Dept of Labor

Meeting Fees: Cost for members: \$9.00, Non-members: \$25.00

Another speaker option: David King, DOL

Location: Library pending

December 15: State of the Chapter/SHRM Resources

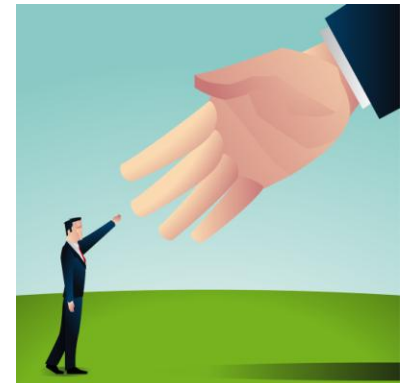
Announcements.

If you have an announcement or something you would like to share with other BAHRA members, please e-mail jeni@availabilityemployment.com

Welcome our new members.

Jane Fitzpatrick - Avera Brookings Medical Clinic.

Marla Corey - AvailAbility Employment Services



Thinking about Professional Certification?

BAHRA is excited to offer an excellent Certification Prep Course!

To take advantage of this opportunity, please see attachment and enroll on or before Friday, August 13th.

HR certification is a career-long commitment that proves to your peers and your organization that you are driven to be successful in HR management. Earning your HR credentials can:

- **Increase your professional confidence**
- **Set you apart from your peers**
- **Result in greater respect from the organization in which you work**

Make the commitment. Take your HR Career to the next level and earn your HR certification.

Benefits of Certification

More than 108,000 HR professionals worldwide have earned HR certification. Earning the PHR, SPHR, or GPHR credential demonstrates to you and your organization that you commit to a higher standard. If you are an HR professional, your HR certification shows you know the most current principles and core practices of HR Management; you become more marketable when you compete for top HR positions; and you raise your professional confidence among your staff and your peers.

Important Note

The Human Resource Certification Institute (HRCI) will put into place new eligibility requirements to take the certification exams effective with the Spring 2011 testing window. You can find more information at www.hrci.org under Certification, New Eligibility Requirements Effective 2011.