

LEGISLATIVE BLAST

October 2010

FEDERAL LEGISLATIVE NEWS

Feds Issue Final Rules on How Companies Store I-9 Forms Electronically

Effective 08/23/10, the Department of Homeland Security released final rules on how companies store their Forms I-9 electronically. Below are five key clarifications to the 2006 interim rule:

1. I-9's must be completed within three (3) business, not calendar, days.
2. You may use paper, electronic systems or a combination of paper and electronic systems.
3. It's ok to change electronic storage systems as long as the systems meet the performance requirements of the regulations,
4. There's no need to retain audit trails for each time an I-9 is viewed electronically, but only when the I-9 is created, completed, updated, modified, altered or corrected.
5. Your company may provide or transmit a confirmation of a Form I-9 transaction but you aren't required to, unless the employee requests a copy.

For additional I-9 rules, you can visit www.dhs.gov or www.dos.state.ny.us/info/register.htm

Health Care Reform

While most of the significant health care reform provisions won't go into effect until 2014, several important changes will affect workers in the 2011 plan year:

- **Adult children of most U.S. workers** will be able to receive coverage through a parent's employer-provided plan up to age 26.
- **Over-the-counter medications**, such as aspirin, pain relievers and allergy medications, will no longer be reimbursable from an FSA unless employees have a prescription from a doctor.
- **Preventive care** (e.g., immunizations and certain check-ups and recommended screenings) for health plans that are new or for existing plans that are not "grandfathered" will be 100 percent covered. While many employer-provided health plans already provide this level of coverage, this provision will improve the scope of benefits for some workers.

Also, on Sept. 20, 2010, the U.S. Departments of Labor (DOL), Health and Human Services (HHS) and Treasury issued new frequently asked questions (<http://www.dol.gov/ebsa/faqs/faq-aca.html>) on the Patient Protection and Affordable Care Act and grandfathered health plans, internal appeals and external review, coverage of children, out-of-network emergency services and highly compensated employees. For further information on health care reform you can visit the following websites: www.dol.gov, www.hhs.gov, www.ustreas.gov

HIRE Act

Under the Hiring Incentives to Restore Employment (HIRE) Act, enacted March 18, 2010, two new tax benefits are available to employers who hire certain previously unemployed workers ("qualified employees"). The first, referred to as the payroll tax exemption, provides employers with an exemption from the employer's 6.2 percent share of social security tax on wages paid to qualifying employees, effective for wages paid from March 19, 2010 through December 31, 2010. In addition, for each qualified employee retained for at least 52 consecutive weeks, businesses will also be eligible for a general business tax credit, referred to as the new hire retention credit, of 6.2 percent of wages paid to the qualified employee over the 52 week period, up to a maximum credit of \$1,000.

Copies of Form 941 and Form W-11 as well as additional information on the HIRE Act are available at www.irs.gov.

Retirement

The U.S. Department of Labor and the American Institute of Certified Public Accountants launched a new, interactive website to help small businesses select a retirement plan suitable for their employees on October 21, 2010.

The website, "Choosing A Retirement Solution for Your Small Business" — available at <http://www.choosingaretirementsolution.org/> — was jointly developed and is co-sponsored by the Labor Department's Employee Benefits Security Administration and the AICPA.

The website introduces employers to a number of retirement plan options from a simpler individual retirement account-based plan to the more sophisticated automatic enrollment 401(k) plan. It describes the advantages and features of various retirement plans. Even businesses with as few as two employees will find options using this new online tool.

For additional resources on retirement plan options, visit the EBSA website at <http://www.dol.gov/ebsa/>.

STATE LEGISLATIVE NEWS

DOL & Workforce NY Network Free Services

In the beginning of October, 2010, the NYS State Labor Commissioner Colleen C. Gardner urged businesses to take advantage of the free services they have to offer. The NYS DOL will find you workers free of charge and may give you money to train them. The DOL and Workforce NY Network can also save businesses thousands in federal tax breaks that they can reinvest back into their business. Services include targeted recruitments, On-the-Job Training and the federal HIRE Act. Businesses that register with the new site can search thousands of resumes from a highly qualified talent pool, automatically add jobs listed on their web sites to the job bank and expand their company's exposure by posting their job across the country via Labor Department partnerships. For additional information, visit the NYS DOL website at www.labor.ny.gov.