



STAR-INFO

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What's Inside

Page 2

The Importance Of HR Compliance CONTINUED

Page 3

Sage Alerts And Workflow Keeps You Informed

Page 4

Payroll Tips And Tricks

Headline News

Sage North America announced that it has entered into an endorsement agreement with Insperty™ to add a new time and attendance business application to its Sage HRMS solution. Insperty TimeStar™ is a powerful, feature-rich, timekeeping and workforce management solution built on the Microsoft SQL Server® platform. To learn more, [click here](#).

The Importance Of HR Compliance

To Protect The Organization, HR Must Stay On Top Of Government Mandates

The human resources (HR) function is at the center of most organizations' efforts to identify, hire, and retain the people the organization needs to achieve its goals. But it also is up to HR to ensure that hiring, discipline, and termination practices are compliant with the law. HR professionals must understand and navigate the myriad laws and regulations governing the employment relationship to help avoid costly fines, employee lawsuits, and potential harm to the organization's reputation. Mistakes can be costly. More than one-third of private companies surveyed by Chubb Insurance had experienced an employment-law event (EEOC charge filed or employee lawsuit), at an average cost of \$74,400 per incident.

Here we provide a high-level summary of the current compliance mandates of which you should be aware, and cover some steps you can take to help ensure you are in compliance.

Compliance Overview

Payroll and Financial Transparency

The **Sarbanes-Oxley Act of 2002** requires public companies to certify their internal control procedures. Payroll procedures fall under this umbrella. Errors in filings and tax payments for FICA and FUTA can result in costly fines. You must also keep detailed records about employee wages and hours to satisfy compliance with the **Fair Labor Standards Act (FLSA)**, which establishes the minimum



wage and rights to overtime pay for certain workers. The **Consumer Credit Protection Act** requires you track and comply with wage garnishment limitations.

Employee Benefits

There are many compliance laws surrounding employee benefits. The most recent is the **Patient Protection and Affordable Care Act** which establishes more than two dozen new rules relating to employer-sponsored health benefits. Other mandates in this area include:

- » **Consolidated Omnibus Budget Reconciliation Act (COBRA)**— providing that employees can purchase medical insurance at the employer's group rate plus 2 percent upon occurrence of a qualified event such as termination or divorce.
- » **Health Insurance Portability and**

(continued on page 2)

The Importance Of HR Compliance

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Accountability Act - designed to protect the privacy of plan participants' personal health information.

- » **Employee Retirement Income Security Act** - includes reporting, disclosure, and fiduciary requirements.
- » **Family and Medical Leave Act** - grants employees the right to take up to twelve weeks of unpaid leave each year in specific circumstances, as well as the right to return to the same or equivalent position.
- » **Uniform Services Employment and Reemployment Rights Act** - establishes rights and protections for employees who are called to active military duty.

Avoiding Discrimination

This category encompasses federal civil rights laws which prohibit employers from considering race, gender, age, or other protected status when making hiring and firing decisions or otherwise setting conditions of employment. These include the following:

- » **Americans with Disabilities Act**
- » **Civil Rights Act of 1866 Section 1981**
- » **Equal Employment Opportunity Act**
- » **Civil Rights Act of 1991**
- » **Title VII of the Civil Rights Act of 1964**
- » **Equal Pay Act of 1963**
- » **Age Discrimination in Employment Act**
- » **Rehabilitation Act (Section 503)**
- » **Vietnam-Era Veterans Readjustment Assistance Act of 1974**
- » **Executive Order 11246**

Other Hiring Records

The government requires employers to keep records that help determine employee eligibility to work and locate parents who are delinquent in child support obligation, as outlined in the **Personal Responsibility and Work Opportunity Reconciliation Act**, and the **Immigration Reform and Control Act**.

Safety Regulations

The **Occupational Safety and Health Act** requires covered employers to prepare and maintain records of occupational injuries and illnesses.

A white paper is available from Sage which provides more detail on these and other compliance issues. If you would like to receive a copy, please contact us.

Creating And Executing HR Compliance

HR compliance should be treated as a process of defining behavior to ensure applicable laws and policies are followed. This is most likely to happen when HR compliance has been integrated with the organization's overall business strategy.

Your HR department should have the knowledge to create policies and procedures in relation to HR compliance mandates. But just writing policies and procedures is not enough. They must be effectively communicated throughout the organization. The best method is through an employee handbook. Your employee handbook should be a blend of your business philosophy, legally mandated policies, and company procedures. It is a good idea to have legal counsel review it before distribution. Here we outline the contents of a typical employee handbook:

1. Introduction, including definition of terms and HR philosophy.
2. Company background information, including a brief history and an organization chart.
3. Human resources policies section, which may include information on employment-at-will, equal opportunity/affirmative action, accommodation for disabilities, harassment and drug-free workplace, and personnel records.
4. Code of conduct section, including business ethics and company expectations

of employee conduct and behavior.

5. Employee relations and communications, including the escalation process for employee issues, bulletin boards, and guidelines for internal and external e-mail communications.
 6. Employee development, including your performance management, promotion process, and employee assistance and counseling.
 7. Attendance policies, including work hours, absence procedures, and paid or unpaid leave of absence.
 8. Compensation and benefits, including expense reimbursement, compensation structure, and both statutory and optional benefits.
 9. Health, safety, and security, including safety guidelines, fire safety procedures, and workplace violence protection.
 10. Separation from employment, including the termination process and continuing healthcare coverage.
 11. Employee acknowledgement, in which the employees acknowledge that they have read and understood the handbook. Do not omit this essential piece. HR should collect and retain the acknowledgements for the organization's protection.
- Staying abreast of current mandates enables you to communicate with and train management and employees to minimize the risk of expensive lawsuits and avoid fines. This article is for informational purposes only; you are advised to consult with a lawyer if you have specific concerns or need advice regarding a particular issue. Your Sage HRMS system is an essential tool in recording and saving the information you need to prove compliance and protect your organization. Give us a call with your questions. ✨

Sage HRMS Alerts And Workflow Keeps You Informed

Do you feel that you are always playing catch-up? Sage HRMS Alerts and Workflow by Vineyardsoft is a Sage Endorsed Solution that can help keep you on top of important events as they occur. Let's learn more.

What Happened, When?

Does your HR team spend hours reviewing reports to find information such as excessive overtime, a positive result on a drug test, or a manager promoting one of their staff? These are critical items that HR needs to know about right away. Now you can let Sage HRMS Alerts and Workflow do the work for you. It can automatically monitor your HR data for time-sensitive conditions and take the actions you specify. For example, Sage HRMS Alerts and Workflow can identify excessive overtime, alert the appropriate employees and their managers, generate an **OT Analysis** report, and even disable additional OT for that employee.

Save Time And Avoid Errors

With Sage HRMS Alerts and Workflow you can notify managers about critical HR issues as they occur, rather than hours, days, or weeks later. You can streamline HR processes by automatically sending an e-mail reminder to managers of upcoming performance reviews. You can proactively manage overtime costs by sending a spreadsheet of employee overtime to your controller. You can attract the best talent by sending personalized communications to applicants. You can keep track of paid time-off exceptions, and stay on top of employee certification renewal dates.

Power Beyond E-mail Notifications

Sage HRMS Alerts and Workflow also can trigger a workflow task to update your applications and transmit information to your

software systems. It takes business activity monitoring a step further by automatically updating Sage HRMS and other databases and auto-processing external requests, such as those from benefits administrators or job applicants.

Automatic Form, Document, And Report Delivery

Does your HR department spend a lot of time manually creating and distributing forms, documents, and reports? Sage HRMS Alerts and Workflow can automate both the production and delivery of such documents.

Using the familiar Crystal Reports®, Sage HRMS Alerts and Workflow can generate forms and documents when needed, or when business conditions demand it, and delivers this information to the right people at the right time.

Pre-Configured Triggers Help You Get Started Fast

Sage HRMS Alerts and Workflow comes with an extensive collection of pre-configured Alert Events and Alert Condition triggers. Below we have listed many of the included triggers. Note that wherever a trigger refers to a variable, for example an *X*, you will be able to specify the threshold for which you want Sage HRMS Alerts and Workflow to monitor.

- » **Applicant Triggers:** Applicant is Disabled, Veteran, or Minority; Application Status Changed to *X*; Applications Accepted Today; Letters to Send Today; Starting Today; Starting in *X* days; Rejected for a Position; Applications Received; Applicants for Jobcode *X*; Applicants recruited or referred by person *X*.
- » **Benefit Triggers:** Changes Made Today; Changes Effective Today; Expires Today.
- » **Employee Event Triggers:** Scheduled for Today; Scheduled within the Next *X* Days.

- » **Employee Notes Trigger:** Due for Follow-Up Today.
- » **Leave of Absence Triggers:** Starting in *X* Days; Ending in *X* Days; Due to Return Today.
- » **Payroll Triggers:** Checks; On Demand; New; New or Changed Direct Deposit Account.
- » **General Employee Triggers:** Absences to Start Today; Reviews Overdue; Payrate Has Changed; Hire Date Anniversary; Address is Changed; Vacation or Illness Time is Negative; New Hire Starts Today; Birthday Greeting; I9 Re-verification Date is Today; Next Pay Review Date is Today; Next Performance Review is Today.
- » **Certification & Training Triggers:** Expires in *X* Days (Any Certificate); Class Completed; Class Starts in *X* Days; Certification Is Expired; Certification Changed Today; Employees Certified Today; Certification Required Within *X* Days.

These event conditions are wizard-driven and require no technical expertise or programming skills to set up.

Users of the Sage HRMS Alerts and Workflow Enterprise Edition not only will be able to use any of the triggers described above, but also will be able to customize these triggers and create an unlimited number of additional triggers. Sage HRMS Alerts and Workflow triggers also are available for any other Sage solutions you may be using in your organization. We can assist you with the creation of custom Sage HRMS Alerts and Workflow queries, triggers, or events. Please give us a call. ✨

IN THE SPOTLIGHT:

Payroll Tips And Tricks

Important Update On Federal Income Tax Withholding Tables

The IRS has released updated income tax withholding tables for 2013 that reflect the *American Taxpayer Relief Act of 2012*. Sage has made a service release available for both Sage HRMS and Sage Abra Suite HRMS customers that incorporates this change. If you have not yet installed this service release, you can logon to the Sage Customer Portal to download it at <https://customers.sagenorthamerica.com/irj/portal/anonymous/login>. Please give us a call if you need assistance.

How To Set Up A Shift Differential Premium

Many organizations pay a premium above the usual hourly rate for employees working special shifts, such as second shift or overnight shift. The Shift Differential codes in the Sage HRMS Payroll system provide a method to pay shift premium pay. The variance can be either a flat amount or a percentage. Here are the steps to set up a Shift Differential code:

Create an earning code for shift differential:

- » Using the navigation pane click *Setup/Payroll/Earnings*
- » From the Employer drop-down menu select the appropriate company
- » Click *Add*
- » From the Earning Category drop-down menu select *Shift Differential*
- » From the Earnings Type drop-down menu select *Premium Pay*

- » From the Calculation Rule drop-down menu select *Flat Amount*
- » On the Other tab select *No* for Shift Differential Component; click *OK*

Create a shift differential code:

- » Using the navigation pane click *Setup/Payroll/Shift Differential*
- » From the Employer drop-down menu select the appropriate company
- » Click *Add*
- » Select *Percentage* or *Amount* for Shift Differential Type
- » From the Shift Earning Code drop-down menu select the earning code created in the first step, click *OK*.

Add the shift differential code to the employee:

- » Using the navigation pane click *Employees/View/Edit Employee* and select the employee
- » On the Payroll tab, select Other Earnings and select an employee
- » Click *Add*
- » From the Earnings Code drop-down menu select the earnings code you created in the first step and click *OK*.

Choose the earning codes shift differential will be paid on:

- » Using the navigation pane click *Setup/Payroll/Earnings*
 - » Select an Earning code, click *More...*
 - » On the Other tab select *Yes* for Shift Differential Component and click *OK*.
- Note: The shift differential will only be

paid to the employee if it is added to the Shift column on the timesheet or added to the employee's Payroll Status page, Payroll Processing tab.

Please call us if you need assistance with this or any other process in Sage HRMS. ✨

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