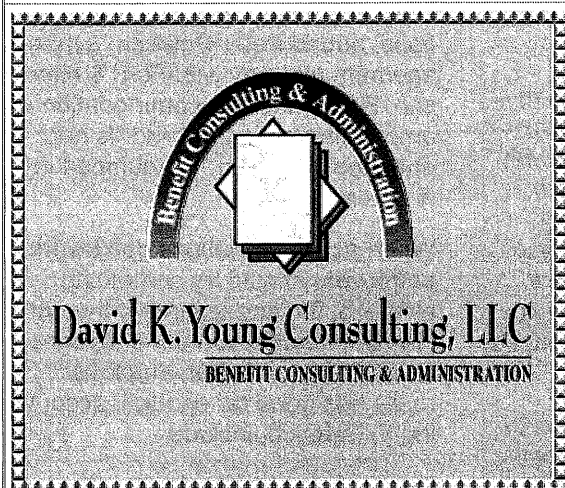


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DID YOU KNOW YOU ARE IN A MINEFIELD?

Have you asked yourself lately about all the rules and regulations concerning the management of your human resources and employee benefit programs? You are in a minefield that could destroy you and your company.

Do you have an administration need or questions about your:

- Pension or Retirement Plan
- COBRA Compliance and Administration
- Section 125/Cafeteria Plan
- Workers' Compensation/ERISA Plan
- FMLA Compliance
- ADA Compliance
- FLSA Compliance
- Job Descriptions
- Employee Handbook
- Policy & Procedures...?

OUTSOURCING IS POPULAR AMONG EMPLOYERS

Research shows that while a majority of employers are satisfied with their HR outsourcing experience, there remains a sizeable contingent of small and mid-size companies that have no interest in the idea.

Aon Consulting reports that for small companies with fewer than 500 employees, retirement plan administration is the most popular task to outsource, with 87% doing so. FSA administration follows with 77%, followed by COBRA/HIPAA admin (70%),

payroll (66%) and, finally, health and welfare admin (39%).

Those rankings remain about the same with mid-size companies (500 to 5,000 employees), with retirement plan, FSA and COBRA/HIPAA admin coming in at 87%, 86% and 78%, respectively.

Health and welfare follows with half of mid-size companies outsourcing administration of their programs. DB plan administration and payroll round out the list with 37% and 32%, respectively.

Still, according to the survey, 26% of small employers and 22% of mid-size companies have no plans to outsource any HR function in the future. Only 2% of small employers and 4% of mid-size companies that do not currently do so might consider doing so in the future. COBRA and HIPAA administration for employers with more than 20 employees would be a good place to start outsourcing.

**DAVID K. YOUNG CONSULTING
TRENDS**

HUMAN RESOURCES

NEWS & TRENDS

FOR THE CLIENTS
& FRIENDS OF
DAVID K. YOUNG,
MPA, CEBS

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THERE'S STILL TIME FOR PARTICIPANTS TO GET A CHECK-UP

With tax season behind us, now is the time to encourage Participants to assess their retirement savings. Here are some key areas to stress:

Review goals and investment strategies

Setting realistic goals can be tricky, so encourage Participants to consider expenses that will be eliminated or reduced when they stop working (such as commuting costs, dry cleaning costs, mortgage payments, or children's college tuition), and new or increased expenses (such as travel and healthcare costs).

After considering these costs, Participants can reassess what they will need to retire comfortably, and de-

cide if they should modify their investment strategy.

Check overall savings progress

Participants should review their retirement account balances to determine if they are on target to meet their retirement goals. Participants can utilize various insurance or investment online calculator, to determine if their current savings rate is adequate, and they may make necessary changes to reach their goals. Many of 401(k) enrollment kits also have slide rule calculators that can accomplish the same goal.

Rebalance asset mix

Once Participants have checked their progress, they may decide to rebalance

their asset mix. They can see an asset class breakdown of their accounts in their quarterly statements and compare this with their original asset allocation. If the mix has shifted, they can make the necessary changes to bring their mix back to where it should be. Many participants never revisit the original asset allocation, often resulting in poor investment performance.

If your Plan offers automatic rebalancing, this would be a great time to promote this feature.

Re-evaluate contribution rate

If you haven't done so already, communicate the

(See Check-Up on page 2)

HELP PARTICIPANTS REACH RETIREMENT GOALS

Tailoring communication programs for women, or any participant, is key to helping them save adequately for retirement. In order to create effective communications programs, though, it is necessary to understand the obstacles women in particular face when plan-

ning for retirement.

Women face unique challenges

Although the economic status of women has improved considerably over the last 40 years, poverty is prevalent among women. According to the Social Security Administration, nearly

30 percent of non-married women earn an annual income that is below poverty level, and are considered poor. Consider these facts:

- Women live longer than men.
- Women work fewer

(See GOALS' on page 2)

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years than men.

- Women tend to work part-time, will earn less, and may not be eligible to participate in a retirement plan.
- Women have shorter job tenure.
- Women typically receive lower Social Security benefits than men.

Women need more information

Women are less confident about achieving a comfortable retirement lifestyle, and 75 percent admit they don't know as much about retirement investing as they should. They lack financial and investment knowledge, and are concerned with market volatility. Here are ways you can help:

Offer to provide educational seminars such as the *Investing for Women Made Simple* seminar produced by Transamerica, which fo-

cuses on empowering women with basic investment and financial planning strategies, by encouraging learning through an exchange of real-life experiences.

Direct women to online brochures by insurance and investment on the company websites, such as Transamerica's "A Guide to Understanding Market Volatility," which offers recommendations to simplify investing.

Women want additional guidance

Fifty-two percent of women indicate they'd like more information and advice from their employers on how to reach retirement savings goals. The good news is women are ready to take charge, with 73 percent wanting to be involved with retirement savings *now* rather than waiting until closer to retirement, plus 55 percent currently save outside of work. Address these needs by directing them to Q&As about investing which can help women under-

stand key investment concepts. One good choice is "Play the Game of Retirement," which covers retirement planning basics.

Shift your focus

Female workers trust employers when it comes to their retirement plan. Forty-eight percent strongly agree their company manages their retirement plan with the best interest of employees in mind, and 82% believe the company gives the right information they need to make decisions about their retirement plan. Sponsors have an opportunity to provide the tools and resources that women want and need. You can reach this large population by offering targeted communication and education. By listening to their concerns and requests for specific information, you can help your female Participants gain the confidence they need to start saving for the future and ultimately reach their retirement goals.

Sources: 2005 Women and Investing Survey, Oppenheimer Funds, January 2006; "What Makes Older Women Work?," Alicia H. Munnell ;*How To*

CHECK-UP.....from page 1

latest IRS annual contribution limits to your Participants. Be sure to reinforce the benefits of contributing the maximum amount allowed to the Plan, particularly the potential tax savings. Direct Participants to online calculator to see how an increased contribution could affect savings.

If your Plan offers a company match, this is an ideal time to remind Participants about it. Those who are not taking advantage of the match may be encouraged to increase their savings rate – even a small amount – to receive the full

company match.

Participants should also be encouraged to re-evaluate their savings rate to accommodate life changes, such as marriage, birth of a child or divorce.

Participants can make informed decisions about their retirement accounts when armed with the right information. By working with the appropriate tools and resources, Participants can adequately re-evaluate their retirement savings progress and make changes to help them achieve their goals.

Who To Contact for Assistance?

If you need help with a compliance review or a due diligence review of your plan's investment asset allocation mix, please call David K. Young Consulting and ask for Steve Mise, or contact your broker who handles the investments for your plan. If your broker needs assistance with the project Steve Mise will be happy to assist him in the process. Steve can be reached by calling our firm at 210-558-099, or email Steve at steve@dkyoung.com.

REASONABLE ACCOMMODATION IS NOT ONE-STOP SHOPPING

If at first you don't succeed, try, try again" didn't spring from the Americans with Disabilities Act (ADA), but it may as well have, as the law creates an ongoing obligation to reasonably accommodate qualified individuals with disabilities.

"Many managers are confused about how much they have to do and how far they have to go" when workers request accommodation, noted Sharon Rennert, senior attorney advisor with the Equal Employment Opportunity Commission (EEOC), in an interview with *HR News*.

"It is imperative for employers and managers to understand that the reasonable accommodation obligation is an ongoing obligation," she said, citing *Humphrey v. Memorial Hospitals Association* (239 F.3d 1128 (9th Cir. 2001)). That ruling states that "the duty to accommodate is a continuing duty that is not exhausted by one effort."

The fact that you've provided one accommodation and it works or doesn't work "does not necessarily mean you're done," she observed. "Employers need to stay on top of" accommodation requests, according to Rennert, who said that employers should:

- Research possible accommodations thoroughly, checking first with the employee requesting accommodation, but also checking, for example, with the Department of Labor's Job Accommodation Network ((800) ADA-WORK), the EEOC, organizations representing people who have the same disability as the employee and the vocational rehabilitation agency.

- Continue checking with the employee for input and ideas.

- Find out whether circumstances

have changed so that the accommodation no longer is working or needed.

- Consider reassignment to a vacant position if all other reasonable accommodations fail (including possibly leave for a definite period, unless that would just prolong the inevitable).

Other possible accommodation resources may include internal employee networks of employees with disabilities, said Joan McGovern, JPMorgan Chase vice president and director of its Access Ability Resource Center, in an interview. The names of those requesting accommodation are not mentioned, so confidentiality is maintained.

Following accommodations discussions with the employee, the company looks at "what's in the family first. If we don't have it here, we go external" for answers, including to professional organizations such as SHRM. If employers that don't know where else to turn believe there are no accommodations, they should "fire up [their] creative thinking."

After providing an accommodation, the employer should periodically check on whether the accommodation is working, Rennert recommended. "You do not want to find out a year later, 'ooh, it never worked.'"

When an employer discovers that an accommodation is not working, it should reconsider the information it had beforehand and continue to engage in the interactive process with the employee. **Try, try again**

There is no set number of accommodations an employer is required to try, pointed out David Fram, director of ADA and EEO services at the National Employment Law Institute. "There is no bright line, so an employer always should ask

whether it has done what looks good and reasonable to an objective outsider," he said in an interview.

It's natural when approaching problems to want everything to be neatly wrapped with a ribbon, but that's seldom the case with accommodations, added Peter Petesch, a management attorney with Ford & Harrison. Reasonable accommodation is an ongoing obligation and "is not one-stop shopping," he quipped in an interview.

When accommodations don't work, employers should try something else until the employer and the employee "mutually run out of options," he said. Signs that an employer really has gone far enough, according to Petesch, include:

- A real slowdown in the pipeline of ideas.
- The worker continues to not meet performance expectations.
- The employer is losing patience on performance issues that cannot be ignored.

Determining whether the employer has gone far enough is "such a case-by-case question" and can be "hard to tell," reflected Ann Reesman, general counsel with the Equal Employment Advisory Council. "Employers are supposed to make a good-faith effort." She noted that if they do, employers will not be liable for damages under the ADA.

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