

Office Finances Workshop

Personnel Management

July 09, 2010

Robert L. Dobbs CHBC

Office Finances Workshop

Upon completion, participants will be able to:

- Control costs to administer and support the workforce
- Identify key causes as well as operational solutions to employee turnover
- Review employer regulatory risks
- Outline strategies to attract, retain, and develop key staff members
- Measure and benchmark office operations

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Staff Compensation and Cost Estimates

Bureau of Labor Statistics March 2010

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BUREAU OF LABOR STATISTICS

May 2009 National Industry-Specific Occupational Employment and Wage Estimates

HEALTHCARE PRACTICIONER AND TECHNICAL OCCUPATIONS							
SOC CODE	OCCUPATION TITLE	EMPLOYMENT ESTIMATES		WAGE ESTIMATES			
		Employment (1)	Percent of Total	Median Hourly	Mean Hourly	Mean Annual (2)	Mean RSE (3)
NUMBER							
29-1062	Family Physicians	65,340	2.88%	\$ 79.13	\$ 83.79	\$ 174,280	1.0%
29-1071	Physician Assistants	42,440	1.87%	\$ 40.06	\$ 40.73	\$ 84,720	0.7%
29-1111	Registered Nurses	223,970	9.86%	\$ 29.15	\$ 32.35	\$ 67,290	0.8%
29-2012	Medical and Clinical Laboratory Techs	21,490	0.95%	\$ 16.88	\$ 17.82	\$ 37,060	1.2%
29-2061	Licensed Practical/Vocational Nurses	89,040	3.92%	\$ 17.19	\$ 17.68	\$ 36,770	0.4%
29-2071	Medical Records & Health Information Technicians	42,490	1.87%	\$ 12.80	\$ 13.69	\$ 28,460	0.5%
31-9092	Medical Assistants	307,690	13.54%	\$ 13.99	\$ 14.33	\$ 29,810	0.3%
31-9094	Medical Transcriptionists	22,310	0.98%	\$ 15.25	\$ 15.58	\$ 32,410	0.6%
(1) Estimates for detailed occupations do not sum to the totals because the totals include occupations not shown separately. Estimates do not include self-employed workers.							
(2) Annual wages have been calculated by multiplying the hourly mean wage by a "year-round, full-time" hours figure of 2,080 hours; for those occupations where there is not an hourly mean wage published, the annual wage has been directly calculated from the reported survey data.							
(3) The relative standard error (RSE) is a measure of the reliability of a survey statistic. The smaller the relative standard error, the more precise the estimate.							

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Family Physicians – Employment / Wage Estimates

FAMILY PHYSICIANS - EMPLOYMENT / WAGE ESTIMATES										
<u>LOCATION</u>	<u>Employment (1)</u>	<u>Mean</u> <u>Hourly</u>	<u>Mean</u> <u>Annual (2)</u>	<u>Mean</u> <u>RSE (3)</u>						
Pensacola	(8)	\$ 62.63	\$130,280	12.2%						
Jacksonville	400	\$ 70.38	\$146,380	7.3%						
Bradenton/Sarasota/Venice	130	\$ 62.60	\$130,210	12.1%						
Ft. Lauderdale/Pompano Beach/Deerfield	530	\$ 61.90	\$128,760	7.8%						
Tampa/St. Petersburg/Clearwater	770	\$ 69.50	\$144,570	6.4%						
Orlando/Kissimmee	330	\$ 72.65	\$151,120	9.0%						
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(8) Estimates not released										

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Physician Assistants – Employment / Wage Estimates

PHYSICIAN ASSISTANTS - EMPLOYMENT/WAGE ESTIMATES					
<u>LOCATION</u>	<u>Employment (1)</u>	<u>Mean</u>	<u>Mean</u>	<u>Mean</u>	
		<u>Hourly</u>	<u>Annual (2)</u>	<u>RSE (3)</u>	
Pensacola	110	\$ 37.65	\$ 78,300	3.2%	
Jacksonville	320	\$ 43.61	\$ 90,700	3.7%	
Bradenton/Sarasota/Venice	160	\$ 40.67	\$ 84,600	6.4%	
Ft. Lauderdale/Pompano Beach/Deerfield	350	\$ 40.81	\$ 84,880	10.4%	
Tampa/St. Petersburg/Clearwater	720	\$ 39.03	\$ 81,190	6.8%	
Orlando/Kissimmee	360	\$ 44.08	\$ 91,690	2.6%	
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(8) Estimates not released					

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Registered Nurses – Employment / Wage Estimates

REGISTERED NURSES - EMPLOYMENT/WAGE ESTIMATES					
<u>LOCATION</u>	<u>Employment (1)</u>	<u>Mean</u>	<u>Mean</u>	<u>Mean</u>	
		<u>Hourly</u>	<u>Annual (2)</u>	<u>RSE (3)</u>	
Pensacola	4,040	\$ 25.36	\$ 52,740	2.2%	
Jacksonville	11,940	\$ 29.53	\$ 61,410	1.6%	
Bradenton/Sarasota/Venice	5,950	\$ 29.43	\$ 61,210	3.3%	
Ft. Lauderdale/Pompano Beach/Deerfield	12,570	\$ 31.98	\$ 66,510	1.3%	
Tampa/St. Petersburg/Clearwater	24,590	\$ 30.78	\$ 64,020	1.8%	
Orlando/Kissimmee	17,200	\$ 27.87	\$ 57,960	1.6%	
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(8) Estimates not released					

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Medical and Clinical Laboratory Techs – Employment / Wage Estimates

MEDICAL AND CLINICAL LABORATORY TECHS - EMPLOYMENT/WAGE ESTIMATES					
<u>LOCATION</u>	<u>Employment (1)</u>	<u>Mean</u>	<u>Mean</u>	<u>Mean</u>	
		<u>Hourly</u>	<u>Annual (2)</u>	<u>RSE (3)</u>	
Pensacola	100	\$ 15.20	\$ 31,610	7.1%	
Jacksonville	360	\$ 18.98	\$ 39,480	4.1%	
Bradenton/Sarasota/Venice	(8)	\$ 16.90	\$ 35,160	2.5%	
Ft. Lauderdale/Pompano Beach/Deerfield	900	\$ 17.76	\$ 36,940	2.6%	
Tampa/St. Petersburg/Clearwater	1,570	\$ 15.87	\$ 33,020	2.9%	
Orlando/Kissimmee	1,190	\$ 19.16	\$ 39,850	3.6%	
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(8) Estimates not released					

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Licensed Practical/Vocational Nurses – Employment / Wage Estimates

LICENSED PRACTICAL/VOCATIONAL NURSES - EMPLOYMENT/WAGE ESTIMATES					
<u>LOCATION</u>	<u>Employment (1)</u>	<u>Mean</u>	<u>Mean</u>	<u>Mean</u>	
		<u>Hourly</u>	<u>Annual (2)</u>	<u>RSE (3)</u>	
Pensacola	1,020	\$ 17.75	\$ 36,920	1.5%	
Jacksonville	2,790	\$ 19.30	\$ 40,140	1.7%	
Bradenton/Sarasota/Venice	2,450	\$ 18.98	\$ 39,470	1.8%	
Ft. Lauderdale/Pompano Beach/Deerfield	2,770	\$ 19.56	\$ 40,680	1.4%	
Tampa/St. Petersburg/Clearwater	7,690	\$ 20.05	\$ 41,700	1.4%	
Orlando/Kissimmee	4,630	\$ 18.64	\$ 38,780	1.5%	
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(8) Estimates not released					

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Medical Records and Health Info Techs – Employment / Wage Estimates

MEDICAL RECORDS & HEALTH INFO TECHS - EMPLOYMENT/WAGE ESTIMATES					
<u>LOCATION</u>	<u>Employment (1)</u>	<u>Mean</u>	<u>Mean</u>	<u>Mean</u>	
		<u>Hourly</u>	<u>Annual (2)</u>	<u>RSE (3)</u>	
Pensacola	320	\$ 15.46	\$ 32,170	5.9%	
Jacksonville	740	\$ 15.50	\$ 32,240	2.9%	
Bradenton/Sarasota/Venice	420	\$ 15.40	\$ 32,040	2.3%	
Ft. Lauderdale/Pompano Beach/Deerfield	940	\$ 18.33	\$ 38,130	3.6%	
Tampa/St. Petersburg/Clearwater	1,780	\$ 14.92	\$ 31,040	4.0%	
Orlando/Kissimmee	1,130	\$ 14.09	\$ 29,300	4.4%	
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(8) Estimates not released					

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Medical Assistants – Employment / Wage Estimates

MEDICAL ASSISTANTS - EMPLOYMENT/WAGE ESTIMATES					
<u>LOCATION</u>	<u>Employment (1)</u>	<u>Mean</u>	<u>Mean</u>	<u>Mean</u>	
		<u>Hourly</u>	<u>Annual (2)</u>	<u>RSE (3)</u>	
Pensacola	970	\$ 11.87	\$ 24,690	2.5%	
Jacksonville	3,390	\$ 13.79	\$ 28,680	2.6%	
Bradenton/Sarasota/Venice	1,030	\$ 14.30	\$ 29,740	3.0%	
Ft. Lauderdale/Pompano Beach/Deerfield	3,900	\$ 14.69	\$ 30,560	3.1%	
Tampa/St. Petersburg/Clearwater	4,960	\$ 13.86	\$ 28,820	2.2%	
Orlando/Kissimmee	3,540	\$ 13.72	\$ 28,550	1.9%	
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(8) Estimates not released					

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Medical Transcriptionists – Employment / Wage Estimates

MEDICAL TRANSCRIPTIONISTS - EMPLOYMENT/WAGE ESTIMATES					
<u>LOCATION</u>	<u>Employment (1)</u>	<u>Mean</u>	<u>Mean</u>	<u>Mean</u>	
		<u>Hourly</u>	<u>Annual (2)</u>	<u>RSE (3)</u>	
Pensacola	110	\$ 14.80	\$ 30,790	1.9%	
Jacksonville	340	\$ 15.78	\$ 32,830	2.8%	
Bradenton/Sarasota/Venice	190	\$ 16.06	\$ 33,400	2.8%	
Ft. Lauderdale/Pompano Beach/Deerfield	420	\$ 16.31	\$ 33,930	2.8%	
Tampa/St. Petersburg/Clearwater	640	\$ 14.60	\$ 30,370	4.7%	
Orlando/Kissimmee	(8)	\$ 14.60	\$ 30,370	2.1%	
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March 2010 Compensation Component

<u>MARCH 2010 COMPENSATION COMPONENT</u>	<u>Service-Providing (3)</u>	
	Cost	Percent
<u>TOTAL COMPENSATION</u>	\$ 29.25	100
<u>WAGES and SALARIES</u>	\$ 20.51	70.1
<u>TOTAL BENEFITS</u>	\$ 8.74	29.9
<u>Paid Leave</u>	\$ 2.06	7
Vacation	\$ 0.97	3.3
Holiday	\$ 0.63	2.2
Sick	\$ 0.34	1.2
Personal	\$ 0.11	0.4
<u>Supplemental Pay</u>	\$ 0.65	2.2
Overtime and premium (4)	\$ 0.19	0.7
Shift differentials	\$ 0.06	0.2
Nonproduction bonuses	\$ 0.40	1.4
<u>Insurance</u>	\$ 2.54	8.7
Life	\$ 0.05	0.2
Health	\$ 2.41	8.2
Short-term disability	\$ 0.04	0.1
Long-term disability	\$ 0.04	0.1
<u>Retirement and Savings</u>	\$ 1.30	4.4
Defined benefit	\$ 0.80	2.7
Defined contribution	\$ 0.49	1.7
<u>Legally Required Benefits</u>	\$ 2.19	7.5
Social Security and Medicare	\$ 1.65	5.6
Social Security(7)	\$ 1.31	0.45
Medicare	\$ 0.34	1.1
Federal Unemployment Insurance	\$ 0.03	0.1
State Unemployment Insurance	\$ 0.14	0.5
Workers' Compensation	\$ 0.38	1.3
<small>(3) Includes health care and social assistance</small>		
<small>(4) Includes premium pay for work in addition to the regular work schedule (overtime, weekends, and holidays)</small>		
<small>(7) Comprises the Old-Age, Survivors, and Disability Insurance (OASDI) program.</small>		

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Staff Turnover

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Turnover Facts

19% of jobs end in less than 1 year

Saratoga Institute

Employees of large firms stay in their jobs longer than employees of small firms

Small Business Administration

The probability of turnover increases by about 3 percent for each additional year of age

Small Business Administration

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Married individuals are 22% more likely to leave their jobs than otherwise identical single workers.

Small Business Administration

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Calculating the Cost of Staff Turnover

Costs of Termination

Final paycheck , vacation and separation

pay

\$-----

Increase in unemployment tax

\$-----

Continued benefit costs

\$-----

Administration costs for processing the
termination

\$-----

Exit interviews

\$-----

Total Cost of Termination

\$-----

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Cost of termination cont-

It takes considerable time to process out an employee. For example ,the person has to be taken off payroll and security lists. The typical cost is often between \$1,000. and \$1,500.

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Cost of replacing a staff member

Advertising, job postings, recruiter fees	\$-----
Interview expenses	\$-----
Company marketing materials	\$-----
Pre-employment assessments	\$-----
Background checks, references etc	\$-----
Medical exams , and drug tests	\$-----

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Cost of replacing a staff member cont.

Interim employee costs(temps)	\$-----
Overtime costs	\$-----
Relocation expenses	\$-----
Resume screening	\$-----
Interviews, first, second, third	\$-----
Orientation and training	\$-----

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Cost of replacing a staff member cont.

Coaching costs \$-----

Total Cost of Replacement \$-----

The average cost of hiring and orientation for a **non-exempt** staff member was about \$1,000.(Saratoga Institute-1999) The average cost for an **exempt** staff member was about \$9,000.(Saratoga Institute-1999)

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Cost of replacing a staff member cont.

Learning Curve

A new staff member is usually not as productive as the departing staff member. The new staff member doesn't know the "ropes". The minimum loss is usually about **three to six months pay and benefits for exempt** staff members and about **twelve months pay and benefits for non-exempt** staff members.

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Staff Productivity

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Factors Affecting Staff Productivity

- A. Technical
- B. Ability
- C. Motivational

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Technical

- Location
- Office design
- Office décor
- Office maintenance
- Equipment
- Equipment maintenance
- Lighting

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Ability

- Knowledge
- Education
- Experience
- Training
- Interest

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Ability- continued

- Skill
- Aptitude
- Personality
- Knowledge(see above)

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Motivational Needs

- Physiological
- Social
- Egoistic

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Physiological Needs

- Air, water, food, housing, clothing,
- pay and job security

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- Social Need
- Contact with other people
- Friendships
- Identification with the “group”
- Teamwork
- Helping others and being helped

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Egoistic Need

A high evaluation of himself/herself

Knowledge

Achievement

Competence

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Egoistic Need cont.

Self respect

Respect of others

Status

Recognition

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Once physiological and social needs are met they cease to motivate

Most of us never stop needing assurance that we are held in high esteem by others

If we satisfy our egoistic needs today, we continue to seek such satisfaction tomorrow and tomorrow and tomorrow.....

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- **The continuing satisfaction of egoistic needs seems to offer the best solution for motivating employees to better job performance.**

- People and Productivity- Robert A. Sutermeister

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Recognition and praise for work

well done

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Measurements

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- Measurement Examples
 - New patient visits
 - Patient visits per day
 - Accounts receivable total
 - Aging of accounts receivable
 - Patient “No show” totals
 - Cost controls
 - Overtime pay
 - RVUs

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- Collection percentage

Adjusted

Non-adjusted

Patient feedback

.

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Personnel Policies

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- **Personnel Policies**

- Does the office have an employee orientation plan?
- Does the office examine the content of the position and try to make it challenging and interesting?
- Does the office have a selection plan to choose people with the proper abilities/ skills to meet the needs of the office?

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- Personnel Policies cont.
- Does the office make clear its goals for employees?
- Are wages and salaries paid in line with those paid in similar positions within your geographic area?
- Is there a performance rating plan ?
- How does the office provide continuing education?

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Employee Handbook

- Written
- Introduction
- Ethics
- Corporate compliance with the law
- Employment at will
- Equal employment opportunity
- Americans with Disabilities Act

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- Employee Handbook cont.
- Immigration and Reform Control Act(I-9)
- Non-Harassment Policy
- Non- Violence policy
- Certification, Licensing and Other Requirements
- Employee Record Changes
- Attendance

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- Employee Handbook cont.
- Performance evaluations
- Complaint and problem Solving Procedure
- Dress policy
- New Employee Introductory Period
- Cobra rights
- Company expectations
- Employee Conduct standards

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- Employee Handbook cont.
- Safety Policy
- Leaves
- Military leave
- Final settlements
- Work related injuries
- Employee acknowledgement

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- Employee Handbook cont.
- Employee Handbook Addendum
- Employee classification
- Probationary period
- Holidays
- Health insurance
- Paid time off(PTO)
- Bereavement leave

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- Employee Handbook cont.
- Jury duty
- Leaves of Absence
- FMLA

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Communication

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- **Communication**

- The purpose of communication is to achieve mutual understanding and thereby help establish the social conditions which will motivate employees. Whether or not purpose is achieved depends upon many factors including the following:
 - The relations among those communicating

- People and Productivity- Robert A. Sutermeister

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Communication cont.

- What is communicated
- The direction of the communication.
- One way.
- Two way, Several ways(group)
- How communicated
- What obstructions there are to communication such as refusal to listen or believe

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- **Leadership**

- Autocratic
- Laissez-faire
- Democratic

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Autocratic

- An autocratic leader is likely to determine the policy for his/her staff, make the decisions , assume full responsibility asking staff to simply follow orders
- Autocratic leadership often involves close or restrictive supervision

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Autocratic cont.

- It would be hard for a staff member with egoistic needs to work with an autocratic leader

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Laissez-faire

- The laissez-faire leader will probably give the staff information and materials and let the staff make their own decisions.
- Generally not used because the result is disorganization

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Democratic

- A democratic leader is likely to encourage staff to take part in setting goals and to encourage ideas and suggestions from staff.
- General supervision means that the leader tries to primarily maintain good human relations and a smoothly running office.

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Democratic cont.

- Usually high producing groups are found when leaders employ general supervision and who are employee centered but by no means overlook production
- The democratic leader considers staff to be important individuals , with ideas of their own and an eagerness to use their brains when given the opportunity
- People and Productivity- Robert A. Sutermeister

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Regulations

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Fair Labor Standards Act (FLSA)

The FLSA is administered by the Wage and Hour division(WHD).FLSA establishes standards for minimum wages, overtime pay, recordkeeping and child labor law. The FLSA applies to **enterprises with employees who engage in interstate commerce**, produce goods for interstate commerce, or handle, sell, or work on goods or materials that have been moved in or

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FLSA cont.

produced for interstate commerce. For most firms, **a test of not less than \$500,000. in annual dollar volume of business applies.**

Employees of firms that do not meet the \$500,000. annual dollar volume test may be covered in any workweek when they are individually engaged in interstate commerce.

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The FLSA exempts some employees from its overtime pay and minimum pay provisions, and it also exempts certain employees from the overtime pay provisions only. **Because the exemptions are narrowly defined, employers should check the exact terms and conditions for each by contacting the WHD or legal counsel.**

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FLSA Basics

The FLSA requires employers of covered employees who are not otherwise exempt to pay employees a minimum wage of not less than \$7.25 per hour.(Florida \$7.25)

The FLSA does not limit the number of hours in a day or the number of days in a week that an employer may require an employee to work as long as the employee is at least 16 years old

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FLSA Basics cont.

The FLSA does not limit the number of hours of overtime that may be scheduled.

The FLSA requires employers to pay covered employees not less than one and one half times their regular pay for all hours worked in excess of 40 hours in a work week (any fixed and regularly recurring period of 168 hours) unless the employees are otherwise exempt.

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FLSA Basics cont.

Every employer of employees subject to the FLSA's minimum wage provisions must post, and keep posted a notice explaining the FLSA in a conspicuous place in all of their establishments.

Every employer covered by the FLSA must keep certain records for each covered worker.

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- FLSA Basics cont.

There is no required form for recordkeeping, however the following must be kept

1. Employees full name as it is used for Social Security purposes and an identifying number if provided
2. Address including zip code
3. Birth date if younger than 19

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FLSA Basics cont.

4. Sex and occupation
5. Time and day of week when employees workweek begins
6. Hours worked each day and total hours worked each workweek
7. Basis on which employees wages are paid ie \$9.per hour

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FLSA Basics cont.

8. Regular hourly pay rate
9. Total daily or weekly straight-time earnings
10. Total overtime earnings for the workweek
11. All additions or subtractions from the employees wages
12. Total wages paid each pay period
13. Date of payment and the pay period covered

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FLSA Basics cont.

Employers are required to preserve payroll records for at least **three years**. Records on which compensation was based should be kept for **two years**. These include time cards, wage rate tables, work and time schedules and records of additions and deductions from wages.

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FLSA Basics cont.

Exempt

Salary Level Test- Under the executive, administrative and professional exemptions, the employee must generally be paid a minimum salary of at least \$455.00 per week. (\$23,660 annually)

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FLSA Basics cont.

Salary Basis Test- An employee is paid on a salary basis if the regularly receive each pay period a predetermined amount not subject to reduction because of variation in quantity or quality of work performed.

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FLSA Basics cont.

Duties Test- **Executive Exemption** requires that the employee:

- a. Be paid on a salary basis at least \$455.00 per week
- b. Have his/her primary duty management of the enterprise where the employee works
- c. Customarily and regularly directs the work of two or more full-time employees
- d. Have the authority to hire or fire other employees or at a minimum have his/her recommendations regarding hiring/firing and performance appraisal given “particular weight”.

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FLSA Basics cont.

Duties Test- **Administrative Exemption** requires that the employee

- a. Be paid on a salary basis at least \$455.00 per week
- b. Have his /her primary duty the performance of office or non-manual work directly related to the management or general business operations of the employer or the employers customers
- c. Customarily and regularly exercise discretion and independent judgment with respect to matters of significance to the employer

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FLSA Basics cont.

Duties Test- **Professional Exemption** requires that the employee

- a. Be paid on a salary basis at least \$455.00 per week
- b. Have his/her primary duty the performance of work requiring knowledge of an advanced type in a field of science or learning customarily acquired by a prolonged course of specialized intellectual instruction
- c. Have as his/her primary duty the performance of work requiring invention, imagination, originality or talent in a recognized field of artistic or creative endeavor

Duties Test- **Outside Sales** (not applicable)

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FLSA Basics cont.

FLSA is a complicated law with many variables.

The parts of the law presented above are some of the more basic concepts. Questions regarding FLSA can be answered by calling 1-866-487-9243(WHD) or a legal advisor working in the area of labor law.

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Family and Medical Leave Act
(FMLA)

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Family and Medical Leave Act-(FMLA)

FMLA provides certain employees with up to 12 weeks of unpaid, job protected leave per year. It also requires that their group health benefits be maintained for a year.

Employers with **50 or more employees** must provide an eligible employee with up to 12 weeks of unpaid leave each year for any of the following reasons:

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FMLA cont.

- a. For the birth and care of the newborn child of an employee
- b. For placement with the employee of a child for adoption or foster care
- c. To care for an immediate family member(spouse, child, or parent) with a serious health condition
- d. To take medical leave when the employee is unable to work because of serious health condition

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FMLA Basics cont.

Eligibility- employees are eligible for leave if they have worked for the employer at least 12 months, at least 1,250 hours over the past 12 months, and work at a location where the company employs 50 or more employees within 75 miles.

Time taken off due to pregnancy complications can be counted against the 12 weeks of family and medical leave

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FMLA Basics cont.

FMLA is a complicated law with many variables.

The parts of the law presented above are some of the more basic concepts. Questions regarding FMLA can be answered by calling 1-866-487-9243(WHD) or a legal advisor working in the area of labor law.

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American with Disabilities Act
(ADA)

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ADA Basics

- Employers with **15 or more employees** are prohibited from discriminating against people with disabilities by Title 1 of the Americans with Disabilities Act(ADA). In general, the employment provisions of the ADA require
- a. Equal opportunity in selecting, testing and hiring qualified applicants with disabilities

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ADA Basics cont.

- b. Job accommodation for applicants and workers with disabilities when such accommodations would not impose “undue hardship” and
- c. Equal opportunity in promotion and benefits

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ADA Basics cont.

ADA is a complicated law with many variables. The parts of the law presented above are some of the more basic concepts. Questions regarding ADA can be answered by calling 1-866-487-2365(ODE) or a legal advisor working in the area of labor law.

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Consolidated Omnibus Budget Reconciliation
Act
(COBRA)

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- COBRA contains provisions giving certain former employees, retirees, spouses, former spouses, and dependent children the right to temporary continuation of health coverage at group rates. The coverage however, is only available when coverage is lost due to certain specific events.

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COBRA Basics cont.

Employers with **20 or more employees** are usually required to offer COBRA coverage and to notify their employees of the availability of coverage.

Who is entitled to benefits:

Plan coverage- See handout

Qualified Beneficiaries-See handout

Qualifying Events-See handout

Questions regarding COBRA can be answered by calling 1-866-444-3272 or contacting a lawyer specializing in labor law.

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Employee

vs.

Independent Contractor

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IRS 20-Factor Test

1. Employee compliance with instructions required
2. Training
3. Integration of workers services into the business
4. Services are rendered personally
5. Ability to hire, supervise and pay assistants

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IRS 20-Factor Test cont

6. A continuing relationship
7. Set hours of work established
8. Full time is required
9. Work is performed on business's property
10. Services performed in a set order or sequence
11. Oral or written reports required
12. Payment by hour, week or month

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IRS 20-Factor Test cont.

13. Payment of business/travel expenses

14. Tools and materials furnished

15. Worker invests in facility

16. Worker can realize a profit or loss

17. Worker performs services for more than one business at a time

18. Worker makes services available to the general public

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IRS 20-Factor Test cont.

19. Business has the right to discharge worker

20. Worker has the right to terminate the
relationship

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Other Factors

Behavior Control Factors

An employer has the right to control how an employee does the work. An independent contractor usually retains control over how the work is done.

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Other Factors cont.

Financial Control

An employer has the right to control how the business aspects of an employee's activities are conducted. An independent contractor has the right to control his or her own business activities.

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Other factors cont.

Relationship

How employees and subcontractors perceive their relationship

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Other Factors cont.

Tips for Employers

- a. Have worker sign a written agreement attesting to the fact that he/she is an independent contractor.
- b. Worker should bill the business for services rendered.
- c. As much as independence as possible should be given to the worker in areas such as hours worked, supervision on the job, and the location where work is to be performed.
- d. Worker should be required to provide her/his own tools, supplies, training and transportation.
- e. Worker should have an Employer Identification Number(EIN).
- f. Review IRS Form SS-8

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Compliance Plan

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Establishing a Compliance Plan

1. Identification of a Compliance Officer
2. Audit and monitor charges
3. Review practice standards and procedures
4. Conduct appropriate training and education
5. Review corrective action initiatives
6. Review lines of communication
7. Review disciplinary standards
8. Audit and monitor reimbursements
9. Review contracts

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New Legislation

Hiring Incentives to Restore Employment(HIRE)

(See attached)

Patient Protection and Affordable Care Act

(See attached)

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Attachments

1. BLS- Fort Lauderdale-Pompano Beach-Deerfield Beach
2. BLS- Orlando-Kissimmee
3. BLS- Tamps-St Petersburg
4. BLS- Bradenton-Sarasota-Venice
5. BLS- Jacksonville
6. BLS-Pensacola-Ferry Pass- Brent
7. BLS- National
8. Questions and Answers about FLSA
9. FAQs About COBRA Continuation Health Coverage
10. U.S. Department of Labor Poster Requirements
11. Sub-Contractor vs Employee Definitions
12. Form SS-8 Determination of Worker Status
13. Hiring Incentives to Restore Employment(HIRE)
14. Patient Protection and Affordable Care Act

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Thank You