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## HSA Contribution Allowances Rise in 2008

If your company already offers a high-deductible health plan with a health savings account (HSA), you might want to emphasize to current and prospective employees that they have options for funding their out-of-pocket expenses that can quickly load an HSA with tax-free, available money.

For 2008, the IRS has raised the contribution limit for a health savings account (HSA) to \$2900/individual and \$5800/family. For individuals over 55, the “catch-up” provision has been raised to \$900.

The federal government also allows a one-time transfer from an IRA to an HSA without penalty. Only trustee-to-trustee transfers are

allowed. Some employees moving over to your company with individual retirement accounts (IRA) from another employer might be very interested in moving IRA money to your HSA.

If you are providing a high-deductible health plan without the HSA, you might refer employees to a bank that offers a health savings account. To enhance your benefits package, your company could consider making contributions to an optional HSA. Matching an employee’s contributions up to the IRS

limits can be an excellent motivational benefit.

Call our service team to find out more about high-deductible plans and health savings accounts. ■



## Preventive Care and the HSA

Is your company among the majority of employers that offer a high-deductible health plan with a health savings account (HSA) that covers “first-dollar” payments for preventive care without any annual limit? Under such plans, employees don’t have to hit their high deductible before receiving benefits for preventive services such as immunizations and screenings.

A survey by America’s Health Insurance Plans (AHIP) found first-dollar coverage for the following:

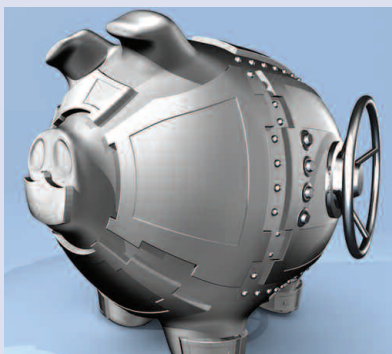
- 100% of the plans cover adult and

child immunizations, well-baby and well-child care, mammography, Pap tests, and annual physicals and screenings.

- 52% place no annual limits on preventive care services.
- 24% have an annual limit of \$500.
- A majority of plans also provide coverage for other preventive care services, such as prostate cancer screenings and colonoscopies.

If you would like your company to offer this cost-effective benefit, contact one of our employee benefits specialists today. ■

## Simplified Employee Pension IRAs



**A**re you a small employer looking for ways to provide retirement funds for your staff? Consider a Simplified Employee Pension (SEP) IRA.

Any employer with one or more employees is generally eligible for a SEP IRA. Sole proprietors, partnerships, corporations and non-profits are all eligible. Any employee who is at least 21 years of age, earns at least \$500 annually and has worked for your business for three out of the five preceding years is eligible.

Under the SEP IRA:

- Employees can use the same account to which SEP contributions are made for their traditional IRA contributions.
- Contributions to SEP IRAs are 100% vested immediately, which allows employees to take contributions at any time, even if the employee no longer works for the employer who set up the SEP.
- The distribution rules for a SEP IRA are the same as a traditional IRA.
- This year, the IRS raised the maximum contribution to 25% of the employee's eligible compensation, or \$46,000, whichever is less.

For more information, call our service team today. ■

## Employee Benefits Attract Best Managers

Many companies use various stock ownership programs as a primary financial incentive to attract top quality managers and retain key personnel. While enrolling top performers in the ownership of the company does personalize the work experience and is a proven method of connecting employees to the company's bottom line, stock distributions are just a part of the whole executive employment benefits package.

New York Life offers a list of suggestions for executive benefits that go beyond the standard pension plan and stock benefits. They are designed to help you retain your key players longer. Here are a few of their ideas:

- Provide some executives with supplemental retirement income that gets triggered by performance benchmarks.

- Attach benefits increases to length of tenure.

- Make other performance-based incentives available prior to retirement.

- Replace any benefits top performers forfeit in order to join your company.

Executive benefits often include protection of personal assets through special directors and officers insurance; life insurance plans such as annuities; health care reimbursements; and special insurance that is available only while employed by or vested in your company.

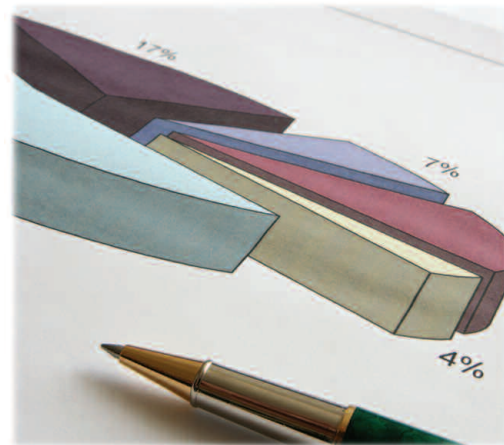
Our employee benefits specialists can assist you in designing a top-notch executive benefits program for your key personnel. Call us today to get started. ■

## 401(k) Stock-Portion Options

The 2006 Pension Protection Act (PPA), passed by Congress in the wake of the Enron scandal, includes a provision that 401(k) plan participants must be allowed to divest company stock contributed as a match by employers after three years. Participants must also be given the opportunity to shift the proceeds of the divestiture to other 401(k) options.

Hewitt Associates reports that, as of 2007, 67% of employers comply with the provision by allowing participants to divest employer matches at any time. That's up from 24% in 2005.

Recently, the IRS provided further guidance for employers on the 2006 provisions. Such guidance includes how divestment requirements apply to shares traded on foreign exchanges. The IRS also clarified that employers



are allowed to limit company shares that an employee can hold in proportion to the employee's total 401(k) account balance. Employers may also be allowed to restrict short-term trading in employer securities by participants.

For further guidance concerning provisions in the PPA, visit [www.irs.gov](http://www.irs.gov). ■

## Going Green with Telecommuting

Telecommuting repeatedly lands high on the list of employee benefits preferences. Additionally, it can reduce greenhouse gas emissions, a new priority for many businesses, as well as cut facility overhead. Although it might require some adaptation by those who are used to traditional office arrangements, telecommuting, when done right, offers many benefits to businesses. However, it must be planned and implemented properly to avoid the pitfalls.

A written and signed statement of duties that accrue to telecommuters is a must to ensure professional execution of assignments. Regular evaluations (con-

ducted as often as once a month) can document successes and failures and help management analyze the value



of the program.

And don't forget the insurance. Telecommuters are still employees

unless they have a contract that states otherwise. Our insurance specialists can help you determine how telecommuting affects your workers compensation insurance, your business property coverage and your professional liability policies. Additionally, some insurers offer discounts for companies that implement "green" business practices. Our staff can assist you in discovering what your insurer requires in order for you to receive an eco-friendly stamp of approval.

Telecommuting can be a real boon for your business. Check with our service team for help on implementing and insuring your telecommuter benefit. ■

## Do Your Employees Benefit from Employee Benefits?

**B**efore fall enrollment, take a look at your employee benefits participation levels. Are your employees signing on? Are benefits targeting your company's needs as well as the needs of your employees?

July is a good time to send out a questionnaire to employees to find out which benefits they prefer and which benefits they could do without. You might discover that managers have different benefits needs than staff.

Here is a sampling of data points that might help you in your benefits analysis:

1. State your position.
2. Identify your income.
3. Check off the health benefits

in which you are enrolled (here you will provide a list of your health plan options, including any savings or reimbursement plans you offer).

4. Check off other benefits in

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which you participate (here you will list your voluntary benefits, such as college savings, 401(k), and the like).

5. Do you carry dependent coverage?

6. Is your plan through us the primary plan in your household?

7. Do you receive the support you need from our employee benefits advisors?

8. What other benefits would you like to have offered?

This is just a sampling. Tailor a questionnaire to your specific benefits offerings, then review the answers to determine if you are offering benefits that help your employees and attract and retain the talent you need.

If you find that you want to adjust your benefits offerings for fall enrollment, call us to talk about your options. ■

**Thank you  
for your referrals.**

If you're pleased with us, spread the word!  
We will be happy to give the same great service to all of your friends and business associates.

## **Citizen Soldiers Return to the Workforce**

**A**lmost one in five "citizen soldiers"—including Reserve veterans and National Guard members—has been deployed more than once since 2001. According to the Workplace Warrior Think Tank, organized by the Disability Management Employer Coalition (DMEC), rates of physical injury among these vets is high and many suffer from post-traumatic stress disorder (PTSD).

The DMEC has developed resources for employers of vets returning from locations such as Iraq and Afghanistan. Such resources include information about employee assistance programs and mentoring programs to support vets in their transition back to civilian life. These programs also provide methods of assisting vets who suffered physical and/or emotional injury resulting from service.

Full details are available on the organization's Web site at [www.dmec.org](http://www.dmec.org). ■

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