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NOVEMBER 2009

During this current economic downturn and resulting budget cuts many employers are having difficulty funding all of the human resource functions of their business. **Stowe Associates** provides many compliance assistance services at **no cost**. We can help you. One of our highly trained representatives will be glad to discuss how your company can stretch its budget dollars by taking advantage of these services. To learn more, please contact Josh Dunn at (770) 451-6222 ext. 5202 or jdunn@stoweassociates.com.

New EEO Poster

The law requires an employer to post notices describing the Federal laws prohibiting job discrimination based on race, color, sex, national origin, religion, age, equal pay, disability and genetic information.

EEOC has revised its "Equal Employment Opportunity is the Law" poster. This new version reflects current federal employment discrimination law (including the Americans with Disabilities Act Amendments Act of 2008). The poster was revised to add information about the Genetic Information Nondiscrimination Act of 2008, which is effective November 21, 2009. The revised poster also includes updates from the Department of Labor.

The poster is available for download at: http://www.eeoc.gov/self_print_poster.pdf.

Insurance Mandate Bad for Businesses

Janet Trautwein, CEO of the National Association of Health Underwriters (NAHU)

During his last address to Congress, President [Barack Obama](#) made a point of linking health reform to economic recovery. He's right to draw the connection — bringing down health care costs could shore up family budgets that have been stretched thin by the high price of medical care.

Yet one of the Democrats' major reform proposals would actually make it harder for America to dig out of the recession. The "pay or play" mandate — which would compel employers to either provide health insurance or pay a stiff penalty — would cripple businesses and cause many Americans to lose their jobs.

The structure of the employer mandate is pretty simple.

Under the plan favored by Obama and Senate Finance Chairman Max Baucus (D-Mont.), businesses with 50 or more employees that don't provide health coverage to all their workers would be forced to pay a fee for each uncovered employee.

House Democrats seek to force firms with annual payrolls of \$500,000 or more to cover a substantial portion of workers' insurance premiums. If a business decides against offering insurance to its employees, it would have to pay a tax of between 2 percent and 8 percent of its employees' wages.

Under both proposals, employer-sponsored health plans would have to meet federal standards for minimum benefits, co-pays, deductibles and the like — even if an employee wanted a less expensive, less comprehensive policy. Workers would face far fewer choices of plans.

Burdening already-suffering businesses with expensive new health care obligations will have disastrous consequences for the economy.

The National Federation of Independent Business estimates that an employer mandate would cause the economy to shed 1.6 million jobs within the first five years.

The Congressional Budget Office warns that low-wage jobs would be among the first eliminated — a cruel blow to those at the bottom of the economic ladder trying to work their way up.

The nation's largest companies may be able to absorb the huge cost of covering all their employees. But many small businesses with razor-thin profit margins would fold as a result of the mandate. A mom-and-pop shop with just six employees each earning a five-figure salary, for instance, would easily surpass the House's \$500,000 payroll threshold.

Despite soaring health care costs, most employers already provide health benefits to their employees without being bullied to do so. Indeed, over 70 percent of Americans employed by private firms have access to employer-sponsored health benefits. Many have access to health coverage through their employer but they can't afford to pay their share of the premium.

Employers invest in their workers' health because they know that doing so will help them attract and retain the best workers and build a productive work force.

Businesses that don't provide coverage aren't cruel or irresponsible — they simply can't afford to. Requiring them to pay for benefits threatens their very livelihood. And it will do little to reduce the number of uninsured.

In fact, by making the cost of labor even higher, a pay-or-play mandate may increase the number of uninsured. For starters, many companies will hold off on hiring new workers, as they'd immediately have to cover additional insurance premiums. Further, if the mandate causes layoffs and closures, folks who already have employer-sponsored insurance will lose their coverage.

The president and his congressional allies may think an employer mandate compels businesses to do their part to pay for health reform. The reality is that pay-or-play would drive down wages and employment, drive up the price of health care, and drive many firms out of business altogether.

If you have questions or need assistance, please contact jdunn@stoweassociates.com.

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