

Dear Valued Clients and Business Partners,

We are very pleased to announce that our newly redesigned website, www.imageon-consulting.com, is up and running, although some sections are still under construction. Every issue of On the HRISON is archived and available through the website and visitors may also subscribe to the newsletter by registering their e-mail address, in order to receive future issues via e-mail.

As you may know, we are also in the process of upgrading HRISON, our proprietary human resource information system. We are targeting release of the enhanced application by the end of this year. We will keep you up-to-date regarding our progress as information becomes available.

Please feel free to visit the website and submit any feedback, questions, or concerns you may have.

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IRS Adjusts Standard Mileage Rate for Second Half of Year

The Internal Revenue Service recently announced an increase in the optional standard mileage rates for the second half of 2011. The rate will increase to **55.5 cents** per mile for all business miles driven from July 1, 2011, through December 31, 2011. This is an increase of 4.5 cents from the 51 cent rate in effect for the first six months of 2011, as set forth in Revenue Procedure 2010-51.

Although mid-year changes to the standard mileage rates are uncommon, the IRS made this special adjustment for the final months of 2011 in recognition of recent gasoline price increases. The IRS normally updates the mileage rates once a year in the fall for the next calendar year. According to IRS Commissioner Doug Shulman, "This year's increased gas prices are having a major impact on individual Americans. The IRS is adjusting the standard mileage rates to better reflect the recent increase in gas prices...we are taking this step so the reimbursement rate will be fair to taxpayers."

While gasoline is a significant factor in the mileage figure, other items enter into the calculation of mileage rates, such as depreciation and insurance and other fixed and variable costs.

The optional business standard mileage rate is used to compute the deductible costs of operating an automobile for business use instead of tracking actual costs. This rate is also used as a benchmark by the federal government and many businesses to reimburse their employees for mileage, although taxpayers

always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates.

The new six-month rate for computing deductible medical or moving expenses will also increase by 4.5 cents to 23.5 cents a mile, up from 19 cents for the first six months of 2011. The rate for providing services for charitable organizations is set by statute, not the IRS, and remains at 14 cents a mile.

For the IRS text of the announcement, please click [here](#).

Government Agencies Using Technology to Reach Public

The Department of Labor is the latest federal agency to launch a mobile application with a Smartphone app to help people independently keep track of their hours and wages.

The time sheet application, available for the iPhone and iPod, allows people to enter their regular work hours as well as break times and overtime hours. The application is available for download from the Labor Department website.

People can add comments to the information they input and view summaries of work hours in various formats, such as by the day, week, or month. They also can email summaries of work hours or gross pay as attachments. Additionally, the app provides links to department websites with helpful information, such as how to contact the department and information about wage laws. People can choose to use the application in English or Spanish.

The department said the purpose of the application is to empower people to keep track of their own employment information in case an employer is not maintaining accurate records and there is a dispute. As Secretary of Labor Hilda Solis said, "This app will help empower workers to understand and stand up for their rights when employers have denied their hard-earned pay".

One of the key goals of the Obama administration's Open Government Directive is to better engage with and serve the public and federal agencies are increasingly leveraging mobile devices as a way to accomplish that goal. The Department of Veterans Affairs, IRS, FBI, Army, NASA, and even the White House itself all offer free Smartphone applications.

The Labor Department is considering future updates for the app that will expand support for other Smartphone platforms, such as Android and BlackBerry. New features being considered for future versions include the ability to input forms of pay other than hourly, such as tips, commissions, bonuses, and holiday pay.

New Form I-9 Rules Take Effect

A new final rule on verifying employment eligibility through the Form I-9 process was adopted in mid-May. The new final rule is identical to an interim rule that has been in effect since April 3, 2009, and makes changes regarding documents used to verify eligibility for employment in the United States. Under current rules in effect, employers cannot accept expired documents to verify employment eligibility. The final rule also revises the list of acceptable documents to remove outdated documents and make technical amendments and add documents applicable to certain citizens of the Federated States of Micronesia and the Republic of the Marshall Islands.

The list of acceptable documents employees may present to employers is still divided into three sections: List A documents showing identity as well as employment authorization, List B documents showing identity only, and List C documents showing employment authorization only.

There are still two versions of the Form I-9 that employers may use — the current version (Rev. 08/07/2009) or the previous version (Rev. 02/02/2009). The Handbook for Employers, Instructions for Completing the Form I-9 (M-274) was updated on January 5, 2011 and is available for review at www.uscis.gov/files/form/m-274.pdf.

New York Legalizes Same-Sex Marriage

Last Friday, New York Governor Andrew Cuomo signed the Marriage Equality Act, a bill legalizing same-sex marriage, after the bill passed through the Democratic-led Assembly and Republican-led Senate earlier this month.

"New York has finally torn down the barrier that has prevented same-sex couples from exercising the freedom to marry and from receiving the fundamental protections that so many couples and families take for granted," Governor Cuomo said. "With the world watching, the Legislature, by a bipartisan vote, has said that all New Yorkers are equal under the law. With this vote, marriage equality will become a reality in our state, delivering long overdue fairness and legal security to thousands of New Yorkers."

The law makes it legal for same-sex couples to marry, and extends the rights, responsibilities, and protections of opposite-sex married couples to same-sex married couples.

The Marriage Equality Act amends New York's Domestic Relations Law to state:

- A marriage that is otherwise valid shall be valid regardless of whether the parties to the marriage are of the same or different sex
- No government treatment or legal status, effect, right, benefit, privilege, protection or responsibility relating to marriage shall differ based on the parties to the marriage being the same sex or a different sex
- No application for a marriage license shall be denied on the ground that the parties are of the same or a different sex

The Act affords religious entities, benevolent organizations, and not-for-profit corporations operated, supervised, or controlled by a religious entity, the right to refuse to perform marriage ceremonies or provide their facilities for marriage ceremonies, consistent with their religious principles.

Employers should keep in mind that benefit entitlements offered to spouses, including dependent coverage, beneficiary designation, pension benefits, etc. may now apply to same-sex spouses who are legally married under NYS law. Many benefit plans, however, have been applying similar benefit coverage to registered domestic partners and other committed same-sex partnerships who could not previously be married under the law, for some time now; so this may or may not affect benefit eligibility under your plan.

2011 Employee Benefits Survey

The Society for Human Resource Management (SHRM) conducts an annual Employee Benefits Survey, which is a study of employee benefits offered by U.S. employers. Included in their survey is a wide range of traditional and nontraditional benefits that organizations offer.

This year is a particularly interesting year to examine employee benefit offerings because the landscape of employee benefits has changed in light of the uncertainty of the U.S. economy and the complex health care reform law.

Noteworthy findings from this year's survey results include:

- Less companies reported having been negatively affected by the economic recession than last year; however, there has been a slight increase in the percentage of respondents reporting their benefits offerings have been negatively affected by the economy.
- Organizations spent on average 19% of an employee's annual salary on mandatory benefits, 19% on voluntary benefits and 11% on pay for time not worked benefits.
- Health savings accounts (HSA) are becoming more and more prevalent, while HMO plans continue to decline in popularity.
- Employer-sponsored retirement plans continue to shift away from defined benefit pension plans toward defined contribution retirement savings plans and Roth 401(k) savings plans. Even though the percentage of companies that offered defined contribution plans continued to increase, there was a slight decline in the percentage of companies that offered employer-matching contributions.
- Financial and compensation benefits have experienced considerable declines throughout the last five years. The most significant decreases were in educational assistance programs, incentive bonus plans for executives, life insurance for dependents and undergraduate educational assistance.
- Paid time off plans (without vacation, sick, etc. designations) continue to gain in popularity, while paid vacation plans remain about the same.
- Housing and relocation benefits have experienced significant declines over the last five years. These benefits included assistance selling previous home, cost-of-living differential, down payment assistance, location visit assistance, mortgage assistance, rental assistance, spouse relocation assistance and temporary relocation benefits.

According to SHRM's job satisfaction and engagement research, employees consistently rank benefits among their top contributors to job satisfaction. However, most American workers underestimate the value of their benefits package or simply have no idea what their employer spends on them besides cash compensation. It is important that HR professionals help employees fully understand all of their options and the true value of their benefits package. Total compensation statements, benefits workshops, employee meetings and social networking tools are examples of communication methods that organizations can use to help ensure their benefits program is valued, understood and used by employees.

Imageon Consulting prepares Benefits Reports that provide detailed information and statistics regarding a variety of employee benefits, including prevalence, cost, and other factors. Data is compiled from a number of different sources and includes U.S. companies and Japanese companies operating in the U.S. Please contact Imageon Consulting for more information regarding Benefits Reports.

Additional Information

This information is being provided to you as a courtesy. For specific information about how the information in this newsletter affects your business, please do not hesitate to contact us at:

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Important:

This document has been prepared for information purposes only and provides practical information from the HR Management perspective concerning the subject matter covered. No part of this document should be taken as legal advice. While you may contact Imageon Consulting, Inc. regarding advice or services related to the information presented herein, you should consult a competent attorney in your state if you are in need of specific legal advice concerning any of the subjects addressed.