

The View from Level VII™

HUMAN RESOURCES

RECOGNIZE EMPLOYEES DAILY

Good Managers remember to recognize and motivate employees. Great managers do it every day. Here are some proven methods for making sure that praising employees becomes part of your daily routine:

Make employees a part of your weekly “to do” list. Add the names of the people who report to you to your list of goals to accomplish. Then cross off names as you praise them.

Use voice mail. Rather than using it only to assign tasks, leave employees voice mail messages praising them for a job well done. Do it from your cellular phone on the way home.

Write note at the end of the day. Keep a stack of note cards on your desk, where you can't ignore them. At the end of the day, take a minute to write thank-you notes to any employee who made a difference that day.

At the beginning of the day, put five coins in your pocket. Then, during the day, each time you praise an employee, transfer a coin to your other pocket. It may sound corny, but once you get in the habit, you'll start relying on tricks like this one.

HR Professional Consultants, Inc. offers human resource services and outsourcing for businesses of various sizes.

Jim Chwojdak
HR Professional Consultants, Inc.
www.HRProfessionalConsultants.com

Visit our website:

www.LevelVIICompanies.com

STRATEGIC PERFORMANCE MGMT

COMMIT TO ONGOING PROCESS IMPROVEMENT

If you are doing things the same way year after year it could be a sign that your processes have grown inefficient or just plain obsolete. Experts say that you can't rely on reengineering processes once a decade; you must develop an on-going appetite for innovations that save time, reduce cost and enhance customer satisfaction.

Today, companies routinely identify issues, map existing processes, examine pitfalls, establish goals, redefine processes, implement changes and measure the results. To tap into your company's potential you should:

- Look for symptoms by focusing on problem areas and performing benchmarking.
- Focus on the customer and ask “How can we make it easier or better?”
- Train your people to solve problems. Make business process improvement part of their responsibility and hold them accountable.
- Integrate improvement into the planning process.
- Study the entire process flow to identify problems and opportunities for improvement.
- Set measurable targets then track performance indicators to gauge improvement.
- Creating streamlined, efficient processes cause good things to happen throughout your organization.

Stone & Associates stands ready to assist with performance measurement systems, or any of our other Strategic Performance Management, Financial Management Consulting or Business Performance review services.

Gary L. Stone, CPA
Stone & Associates
www.StoneandAssociatescpm.com

Source: RSM Advantage



In this and/or future issues you will find short, yet meaningful articles regarding:

- Human Resources
- Risk Management
- Executive Compensation & Benefits
 - Employee Benefits
- Private Wealth Planning
 - Business Succession
- Strategic Performance Management

The View from Level VII™

EMPLOYEE BENEFITS

ROTH 401(k) PLANS

Effective January 1, 2006, employers can add Roth accounts as an additional deferral option for 401(k) Plans. These Roth accounts allow employees to make all or part of their plan deferrals on an after-tax basis.

Since these Roth deferrals are after-tax dollars, none of these deferrals or the investment earnings on these deferrals will normally be taxed when distributed. Individuals who are uncertain about future tax rates may want to do part of their deferrals pre-tax and part of their deferrals after-tax, "just in case" future tax rates are higher than current tax rates.

The following items should be considered by employers in deciding if and when to add Roth accounts to their plans.

- The financial advantage of tax-free distributions over a 25-year retirement period can be significant.
- Roth contributions are subject to more favorable distribution rules than pre-tax contributions.
- Distributions from Roth accounts can be rolled into Roth IRA's.
- Roth accounts may result in additional payroll processing and W2 reporting expenses.
- Roth accounts may also result in additional plan administration expenses.
- Some plan administrators will not be ready to offer Roth accounts until later in 2006 or 2007.

Please contact us if you would like to discuss the addition of Roth accounts for your 401(k) Plan.

Benefits Advantage, Inc. provides consulting and insurance brokerage services for all types of employee benefits programs. Emphasizing *personal service, creative ideas, and positive results*; Benefits Advantage Inc. has 30 years of industry experience in working with clients.

Arthur Georger CLU, CEBS

Benefits Advantage, Inc.

www.BenefitsAdvantageInc.com



Visit our website:
www.LevelVIICompanies.com

EXECUTIVE BENEFITS

409(A) COMPLIANCE...MORE TO KNOW!

The Internal Revenue Service issued Notice 2005-94 on December 27, 2005. This Notice suspended the W-2 and 1099 reporting requirements for nonqualified deferred compensation deferrals in calendar year 2005

This Notice is welcome relief for 2005 tax filings as newly enacted AJCA 409(A) legislation requires recording of the "total amount of deferrals for the year" into a nonqualified deferred compensation plan on each participant's W-2 (or 1099 for independent contractors). Specifically, W-2 instructions reference reporting the amount using Code Y in Box 12 to report the amount.

Since there has yet not been a definition of that amount, the Notice indicated that there would be further guidance on this matter issued in the first half of 2006. The IRS has also reserved the right to have the information for 2005 provided at some point in the future. Notice 2005-94 may be viewed on the What's New page of our website listed below.

Also issued was interim guidance on the method used to assess the fair market value of outstanding stock options and stock appreciation right for purposes of determining whether such options and rights result in a deferral of compensation subject to 409A.

In response to practitioners concern regarding this requirement with respect to stock rights issued before January 1, 2005, IRS Notice 2006-4 identifies that for purposes of section 409A, rules similar to those governing incentive stock options ("ISOs") shall apply to any stock right issued before January 1, 2005.

The ISO rules generally provide that an exercise price shall be deemed to be fair market value ("FMV") where the taxpayer has made a good faith effort to set the price at FMV. Whether a good faith effort has been made is to be determined based on facts and circumstances.

Weir Financial Resources, LLC is a financial advisory firm offering information, ideas and solutions in Executive Benefits, Business Succession and Private Wealth Planning.

Jonathan D. Weir, JD

Weir Financial Resources, LLC

www.WeirResources.com