

MEMORANDUM

To: Subscribers to *Pratt's Human Resources Practice and Compliance Guide for Bankers*

From: A.S. Pratt & Sons

Subject: Highlights

Enclosed is your current update to *Pratt's Human Resources Practice and Compliance Guide for Bankers*. Highlights include the following:

- **H1N1 (Swine Flu) Declared Pandemic by WHO.** In June, the World Health Organization declared a influenza pandemic and told the public to prepare for a long-term battle against an unstoppable new flu virus. This is the first influenza pandemic since 1968. Review your policies and procedures before swine flu rears its ugly head. (See Chapter 1.)
- **Wage Bias — Lilly Ledbetter Fair Pay Act.** The Lilly Ledbetter Fair Pay Act enacted early this year overrides a previous U.S. Supreme Court decision. The law, while retaining the 180/300-days time frame outlined in the Civil Rights Act, renews the legal filing clock each time an employee receives a paycheck that is based on a discriminatory decision by an employer. Retirement checks are included as paychecks. (See Chapter 4.)
- **Pay Lessons to Be Learned from the 2008-2009 Recession.** During the 2008-2009 recession, banks suffered from risk taking more than was seen since the great depression. Ernst & Young conducted a survey of global finance, HR, and risk executives. The survey lists the most common failures of banks in regard to the recession. (See Chapter 7.)
- **Executive Compensation Restrictions.** The American Recovery and Reinvestment Act (ARRA), known as the 2009 stimulus bill, significantly expands executive compensation requirements for banks receiving assistance from the federal Troubled Assets Relief Program. This update reviews key parts of the compensation requirements under ARRA. (See Chapter 8.)
- **Stimulus Bill Has Significant Affect on COBRA Implementation.** The American Recovery and Reinvestment Act gives a 65 percent reduction in COBRA premiums to an “assistance eligible individual” (AEI) for up to nine months, including covered family members, who lost or will lose health coverage because of an involuntary termination of employment that occurs from September 1, 2008, through December 31, 2009. Banks first pay this 65 percent and then are reimbursed by the federal government in the form of tax credits when filing the bank’s payroll taxes. The maximum premium covered by the stimulus bill is \$1,000. (See Chapter 10.)
- **Stimulus Bill Imposes Tougher HIPAA Requirements.** The American Recovery and Reinvestment Act imposes new Health Insurance Portability and Accountability Act (HIPAA) privacy and security requirements. The new HIPAA requirements include a duty to notify each individual in the event of a security breach and extension of direct penalties to business associates. (See Chapter 11.)
- **Revision in FMLA Provides Opportunity for Bank’s to Improve Leave Administration.** New changes in regulation allow employers to require that employees use companies’ customary notice procedures for FMLA leave. Before this procedural change, employers could not deny FMLA leave to employees who did not follow the companies leave notice requirements. Now banks can have one leave notification procedure for all leave and enforce it. This update includes new leave forms issued by the Department of Labor. (See Chapter 16.)

- **Religious Discrimination, Harassment, and Accommodation.** Religious discrimination is a new emphasis area of the EEOC. In the last 15 years, the number of religious discrimination charges filed with the EEOC has doubled from 1,388 in 1992 to a record level 2,880 in 2007. The EEOC added a new Section 12 to its Compliance Manual, which is specifically devoted to workplace discrimination based on religion. (See Chapter 19.)
- **USCIS Issues Guidance on Form I-9's Expiration Date of 06/30/09.** The U.S. Citizenship and Immigration Services (USCIS) announced that the Form I-9, Employment Eligibility Verification (Rev 02/2/09), is valid for use beyond its expiration date of June 30, 2009. USCIS requested that the Office of Management and Budget (OMB) approve the continued use of the current version of the form. While this request is pending, the Form I-9 will not expire. (See Chapter 21.)
- **Banks May Be Covered by State WARN Laws Even If Not Covered by Federal WARN Act.** Banks not covered by the federal WARN Act need to be aware of state WARN laws, particularly banks located in multiple states. State WARN laws require employers to give notice of workforce reductions. (See Chapter 24.)