



DECEMBER 2006

<http://www.ohioshrm.org/butler>

December 7th – MONTHLY MEETING

SPEAKERS: Steve Sebastian, Associate of Keating, Muething & Klekamp PLL
COST: \$13.00 members, \$15.00 non-members
DATE: Thursday, December 7, 2006
TIME: 7:15 AM – Registration/Networking
 7:30 AM –Breakfast
 8:00 AM - Program
LOCATION: Wetherington Country Club

Directions: Take 75 to Tylersville & turn west. Go to the entrance of Wetherington Homes, which is just past Shell & Encore Café, turn right and follow to the stop at corner of Country Club Lane. Turn right at stop and follow road to left. It takes you into Country Club parking lot.

Topic: Pension Protection Act (PPA) of 2006

On August 17, 2006, President Bush signed into law H.R. 4, the Pension Protection Act (PPA) of 2006. While a major thrust of this new legislation was to shore up the nations' Defined Benefit pension plans, there are several provisions that do not apply to DB plans.

Steve Sebastian, an Associate with Keating, Muething & Klepamp PLL, will provide an overview on the Pension reform aspects of this new law, as well as other impacts, such as:

- Legitimizing Cash Balance Plans
- Encouraging Automatic Enrollment in 401(k) plans
- Making permanent the improvements in the Economic Growth and Tax Reconciliation Act (EGTRRA)
- Allowing for the creating of a combination of a combination Defined Benefit and 401(k) plan, called the DB(k)
- Non-Qualified Plans

Steve Sebastian, an Associate in the Employee Benefits & Executive Compensation practice of Keating, Muething & Klekamp PLL, has practiced in the employee benefits arena since 2000. He has experience in both qualified retirement as well as health and welfare plans. Mr. Sebastian graduated with a B.S. *magna cum laude*, from the University of Kentucky, and earned his J.D. from the University of Michigan Law School.

Please reserve your seat by Monday, December 4th by emailing Kristi Cain at kcain@amtex-lh.com or by calling (513) 933-6205.

Membership Committee

The Board of Directors would like to thank everyone who participated in the new members contest last program year. Due to your participation, your Butler/Warren SHRM Chapter grew by 25%. The vitality of any organization depends on fresh ideas and new growth.

We want to once again challenge you to participate in another year of growth by inviting a new member to join our chapter. In return for a new member application, you are invited to join us at the next breakfast meeting at no cost to you. Together, we can make it happen!

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President's Message

November's meeting with Jeff Shoskin was very enlightening on employer risks from the new retaliation ruling. December's meeting will shed some light on the new pension protection act which effects not only Defined Benefit plans but also Defined Contribution plans (401k, etc.). You don't want to miss it. Our sponsor, AVI, is providing some holiday prizes for us. We hope you will join us December 7th.

Thank you,

Kristi Cain, SPHR

A SHRM Foundation Currently Funded HR Research Project:

The HR Virtual Service Engine: Harnessing IT, Kathryn M. Bartol, PhD

A number of studies suggest that employee perceptions of HR practices can ultimately influence the level of service that employees provide to customers. Information technology is now offering the HR executives new means of HR connectivity with employees. HR potentially has an opportunity to be more visible, to remain continuously connected to employees, and to convey a seamless sense of service and support to employees. This study, addresses how HR can utilize information technology to facilitate employee perceptions of HR service and support, thereby influencing important outcomes, such as organizational commitment and employee retention. It also examines major enabling factors and processes involved. Finally, it attempts to link employee perceptions of HR service to service provided by employees to customers—a linkage with high potential to directly and positively affect the organization's bottom line.

To review **SHRM Foundation** research findings, visit www.shrm.org/foundation.

The SHRM Foundation: *Investing in Your Future as an HR Leader*



LifeSpan is a 61 year old private non-profit organization offering 16 different programs to the Butler and Warren county communities. Services include individual and family counseling, credit and housing counseling, bankruptcy pre-filing counseling, school based social work, home care and guardianship. Offices are located in Hamilton, Middletown and Lebanon.

Please call 513-868-3210 or visit our website at www.lifespanohio.org

Launching a New Diversity Initiative Requires Bottom-Up Approach

HR professionals charged with launching a diversity initiative should start with the basics, according to a concurrent session speaker at the SHRM Workplace Diversity Conference & Exposition. We have to get it right the first time, said Mark Butler, diversity manager at Marathon Petroleum Co. That means building a program that starts with the basics, including a clear understanding of what diversity means.

- [Read this article](#)
- [Diversity Focus Area home page](#)

The Ohio Fair Minimum Wage Amendment

On November 7, 2006, voters approved the Ohio Fair Minimum Wage Amendment. The Amendment raises the minimum wage in Ohio, but it will affect Ohio employers in other ways as well. Employers should start preparing for the January 1, 2007, effective date of the Amendment. However, as explained below, the Amendment contains some ambiguities that will need to be resolved by further action of the General Assembly or by the courts before employers can fully understand their obligations.

Higher Minimum Wage

Beginning on January 1, 2007, Ohio's new minimum wage moves from \$5.15 to \$6.85 per hour, with yearly adjustment to be made for inflation. There are some exceptions for workers under 16, tipped employees, and employees of businesses with annual gross receipts of \$250,000 or less. Employers should plan now for implementing this wage change.

Increased Recordkeeping

Before the Amendment, employers did not need to keep time records for "salaried exempt" employees like outside salespersons, executives, administrators, and professionals. The new Amendment's definition of "employee" is ambiguous on this point. If traditional "salaried exempt" employees fall within the recordkeeping requirements of the new law – an issue that is sure to be litigated – employers will have to keep records of salaried employees' names, addresses, occupations, pay rates, and hours worked, just as they currently do for hourly employees. As a precaution, employers would be wise to start maintaining records for salaried and hourly employees by January 1. The Amendment requires that such records be kept for at least three years after an employee leaves employment.

Broader Access to Records

The confidentiality of personal wage and hour information is understandably important both to employees and to businesses. Under prior state law, only Ohio's Wage and Hour Bureau had access to the kinds of sensitive information contained in these employee records. However, the Amendment appears to open wage records to much broader scrutiny. It ambiguously grants access to "an employee or person acting on behalf of an employee upon request." Records must be provided without charge, and there are no limits on how often such requests can be made. Opponents of the Amendment warned that this ambiguity is an open invitation for plaintiffs' lawyers and unions to engage in "fishing expeditions" for potential class actions and union organizing. Again, the General Assembly or the courts will ultimately determine whether such access must be permitted and under what circumstances, but it is clear that, at a minimum, an employee will be entitled to access his or her own records starting in 2007.

Increased Employer Liability

The Amendment allows the Attorney General, an employee, or a class of employees to bring an action against any employer who violates the new law. An employer who is found liable must pay double damages for any unpaid minimum wages, plus attorneys' fees and costs. Retaliation against employees who raise violations or threaten suit is prohibited as well. Until the ambiguities of the new law have been worked out, employers are urged to contact labor counsel to discuss compliance requirements for their particular circumstances.

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Next Meeting:

January 4, 2007

Topic: Return on Investment of Wellness Programs

SHRM Governmental Affairs Election Overview 2006

Election Day 2006 yielded significant victories for the Democratic Party which gained majority status in the House of Representatives and, depending on the outcome of the Senate race in Virginia, possibly the U.S. Senate. At press time, that race remained too close to call, with the Democratic challenger, Jim Webb, holding on to a slim lead over the Republican incumbent George Allen. At the state level, Democrats wrestled six governorships away from the GOP and made significant gains in state legislatures across the country.

The November 7, 2006, election is certain to usher in change in Washington when the 110th Congress convenes in early January 2007. Democrats will control all standing committees in the House and possibly the Senate, guaranteeing complete control of the legislative agenda on Capitol Hill.

The election results mean HR professionals are likely to face a range of old and new public policy issues in 2007. To help you prepare for the change, SHRM's Government Affairs staff has prepared a quick assessment on what to expect from the state legislatures, the U.S. Congress and the White House.

In This Report...

- [Big Gains for Democratic Candidates in Congress, Governorships and State Legislatures](#)
- [Impact on the Presidency](#)
- [In the Congress](#)
- [2007 Policy Agenda in Washington](#)
- [In the Federal Agencies](#)
- [In the States](#)
- [Outcome on Certain Ballot Initiatives/Referenda](#)
- [Results at a Glance](#)