



## KeyHR is the KEY to Your Success

How successful could you be if you could focus on what you do best? It's a question worth asking. And we not only HAVE the answer... We ARE the Key!

KeyHR is aligned with preferred provider companies to offer new and innovative ways to meet our clients' payroll, employee leasing, benefits and insurance needs.

Our relationship with these companies helps business owners reduce costs, save time, optimize their workforce, increase revenue and minimize risk. If your company needs to save money, address compliance issues, improve efficiencies and increase productivity, we have the solutions.

If your company needs to save money, address compliance issues, improve efficiencies and increase productivity, we have the solutions and the key to your success.

Trust Key HR to provide you with...

- Access to more service providers than any other business of our kind
- Specialists in every area of Human Resources
- Solutions for companies at all stages of development – from startups to fully mature
- A firm commitment to stay current on the laws that affect your industry and business
- Savings from 20 to 40 percent off your bottom line

It could be one of the smartest business decisions you ever make!

### Even more local: sales tax

Much like property taxes, sales taxes originate at both the state and local level: 45 states have a statewide sales tax and 38 allow local sales tax. Sales taxes, of course, supply those states and local governments with revenue for all the local things that we depend on—fire departments and public schools, for example. In 2020, sales tax collections took an early hit with shut-down and stay-at-home orders across the country but rebounded somewhat during the year. It's expected, if vaccinations accelerate and COVID-19 subsides, that spending may also rebound, leading to a more positive economic outlook at the local level.

*principal.com*

KEY CHANNEL PARTNER OF THE MONTH

PEO EXCHANGE

PAYROLL

## March Economic Outlook: Talking Taxes

### Quick Takeaways

- **We're Playing the Waiting Game**—waiting for control of the COVID-19 pandemic so heavily impacted industries can start to bounce back (and maybe start to hire, too). Early spring months may be telling for positive or negative signs on this front.
- **Federal Income Tax Savings for Many Americans** are currently a big part of ongoing budget and stimulus talks. Stay tuned: If they make it as part of enacted legislation, they could impact your wallet in the coming year.
- **Tax Time is Here, so Check With Your Tax Preparer** to make sure you're getting all the deductions you can from the local, state, and federal taxes you've paid.

### Big picture: state and federal income taxes

There's a significant difference in taxes people pay from state to state and city to city, and how they all fit together is a giant puzzle, Heather Winston, assistant director of retirement and income solutions at Principal®, says. Let's start with income taxes, both federal and state. Your federal income taxes help the country pay everything from national defense to Social Security and health and safety net programs. As a candidate, Joe Biden had lots of ideas about who he wanted taxed more and who should get more tax breaks. As president, he can't implement changes to the federal tax code with the stroke of a pen; he needs the buy-in of Congress. If, as he proposed, President Biden increases taxes on those in the uppermost income brackets, will it change much in the economic outlook? In the near term, probably not, and over the long term, experts and pundits often disagree.

### Get local: property taxes

Trying to escape property taxes in the United States? You're out of luck: Every state has them, though the exact amounts vary. Here's the thing though: If you own a home, the bulk of your property taxes are levied at the local level. In fact, state property taxes only account for about 1% of state revenue, but about 50% of local revenue. Sometimes the federal economic choices made by Congress and the President may not feel like they have a direct impact on your day to day, but property tax collection and use does. These funds often go directly toward services such as law enforcement and road improvements.

# President Biden Signs American Rescue Plan Act, Addresses Nation

On the same day he signed the \$1.9 trillion American Rescue Plan Act of 2021, President Joe Biden delivered a speech to the nation, saying that the new law “meets the moment” and urging everyone to get vaccinated.

Biden directed all states to make all adults eligible for vaccination no later than May 1. He said there will be enough vaccines for all American adults by the end of May and promised that there will be more places to get shots.

In addition, stating that the vaccines are safe, he noted that by May there will be new tools to make it easier to get vaccinated. Biden noted that plans for school reopenings have been accelerated since vaccinations will be available and accessible and promised further guidance on what people can do once they’ve been fully vaccinated.

If everyone works together to beat COVID-19, there’s a good chance that by July 4, friends and families can get together and celebrate Independence Day, including “independence from this virus,” the president said.

But everyone needs to get vaccinated, continue to frequently wash their hands, social distance and wear masks, Biden emphasized. Getting back to normal depends on national unity, he said, cautioning that if the public doesn’t stay vigilant and conditions change for the worse, restrictions may have to be reinstated. “We don’t want to do that,” he said.

Biden highlighted some of the provisions of the American Rescue Plan Act toward the end of his speech.

The new law has many requirements, as described in a Society for Human Resource Management (SHRM) summary of provisions related to the workplace, including:

- COBRA continuation coverage.
- Dependent care flexible spending accounts. The law raises the 2021 contribution limit for dependent care flexible spending accounts to \$10,500 for single taxpayers and to \$5,250 for married individuals filing separately.
- The provision raises the exclusion limits for the plan year beginning after Dec. 31, 2020, and before Jan. 1, 2022.
- Modification to the Paycheck Protection Program.
- Veteran Rapid Retraining Assistance Program.
- The extension of federal pandemic unemployment assistance.
- The extension of pandemic emergency unemployment compensation.



- The extension of emergency unemployment relief for governmental entities and nonprofit organizations.
- Employer credits for paid sick and family leave.
- The employee retention credit.

We’ve gathered articles on the American Rescue Plan Act from SHRM Online and other trusted media outlets.

## 100 Percent COBRA Subsidy Lasts Through September

Under the American Rescue Plan Act, the federal government will pay 100 percent of COBRA insurance premiums for employees who lost their jobs because of the pandemic, as well as premiums for their covered relatives, allowing them to stay on their company-sponsored health plan. The coverage ends Sept. 30.

## FFCRA Tax Credit Extension

The Families First Coronavirus Response Act (FFCRA), which provided certain workers with COVID-19-related paid sick leave, expired on Dec. 31, 2020. Although employers are no longer required to offer such leave, Congress extended the tax credit in prior legislation last December for employers that voluntarily continued to offer it through March 31. The American Rescue Plan Act extends the tax credit again through Sept. 30.

## Stimulus Payments and Vaccine Deployment

In addition to enhancing unemployment aid to millions, the American Rescue Plan Act authorizes a round of stimulus payments up to \$1,400 for most Americans and changes the tax code to benefit families with children. The stimulus also provides money for schools to reopen, helps state and local governments meet their financial needs, and further expands the coronavirus vaccine rollout.

## Coronavirus and COVID-19 Resources for the Workplace

The coronavirus pandemic has changed the way we work and manage employees. Here are some resources from SHRM to help you work your way through the pandemic.

[shrm.org](https://www.shrm.org)



EMPLOYEE BENEFITS

## How Managers Can Protect Themselves From Burnout

Employees are exhausted and burned out one year into the COVID-19 pandemic. But there's another group who is suffering in silence: managers and workplace leaders. 69% percent of managers say they feel overworked and 72% say they are feeling more pressure to deliver during the pandemic, according to a survey by Limeade, an employee experience platform. Workplace leaders are also grappling with the stress of managing other burned out employees: 84% of managers feel responsible for the high levels of burnout of their workforce, Limeade found.

Managers feel pressure to never show their own vulnerabilities, says Paula Davis, author of *Beating Burnout at Work*. But those instincts can quickly backfire and make it more difficult for other employees to share their own stress. In a recent interview, Davis shared how employers can take care of their own mental health while building a safe and supportive workplace for their teams.

### Why has COVID made burnout so pervasive in the workplace?

Burnout is caused by imbalances between your job demands and job resources, so what has happened is COVID has piled on a lot of additional demands, whether at work or outside of work. It's also taken away a lot of our resources that we need to gain energy and motivation. We can't walk to a meeting with somebody and just vent for a little bit. We can't go meet up with friends at a restaurant for dinner to socialize. So that equation has become very imbalanced.

Burnout is closely tied to workplace errors, high rates of turnover and disengagement. Usually the cost to replace someone is one and a half to two times their salary. For a large organization, you're talking about a problem that could cost tens of millions of dollars.

### How can managers build a virtual work environment that's supportive of employees and prevents burnout?

When we're all spread out virtually and geographically and we don't see each other every day, it can be harder to pick up on somebody's cues that they're not doing well. So managers need to build trust at a team level. That could include being flexible and approachable with people. Managers can be attentive by just recognizing when someone joins a Zoom call and saying, "Hi, how are you doing today?" They can also provide transparency and ongoing updates. Talk about your team's common purpose: what are we all doing here?

The pandemic has been a wake up call for managers to ask, "Am I the reason why people don't feel comfortable at work?" So managers really need to look at themselves for what they can change to create this environment of trust.

### How can managers protect themselves from burnout when they're so focused on keeping their team afloat?

It really starts with leaders shoring up their own resilience because that gets noticed too. Studies have shown that managers who report higher levels of burnout and lower levels of professional fulfillment are rated as more ineffective by their direct reports. Leaders sometimes think that the way they're functioning is not being noticed, but that's not the case. So take a step back and understand your wiring. What are your core values? If you're someone that thinks, "I need all the answers," that's going to impact whether you take a break or delegate responsibilities.

One of the best things leaders can say right now is something along the lines of, "I'm in this with you, I'm struggling right now too." Leaders have this feeling like they can never show that anything is wrong and they can never show weakness or fallibility. In reality, that's what builds trust with your team and opens your team up to sharing their difficulties too.

## WORKERS' COMP



## The Only Thing That Will Change is Your Bottom Line

Worker's Compensation is a critical business issue. If you haven't thought much about it, chances are it's costing you too much – and if an incident happens, it can cost you a lot more.

KeyHR will work on your behalf in dealing with premiums, claims, regulators and injured workers to ensure the best possible outcomes for your business, your employees, and your bottom line.

Let us help you eliminate surcharges, premium deposits, audits, modifiers and sometimes down payment & lower overall workers' compensation cost in all facets of coverage.

### Our PEO Services offered include:

- Payroll
- Benefits
- Workers' Compensation
- Human Resources
- Risk Management

To get more information on a PEO click here: <http://keyhro.com/peo>



## Trust KeyHR to Provide You With...



Access to more service providers than any other business of our kind.



Specialists in every area of Human Resources



Savings from 20 to 40 percent off your bottom line



Solution for companies at all stages of development-from start ups to fully mature



A firm commitment to stay current on the laws that affect your industry and business

## WE ARE THE KEY TO YOUR SUCCESS!

Want to learn more about what KeyHR can do for your business?

### Contact us today!



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