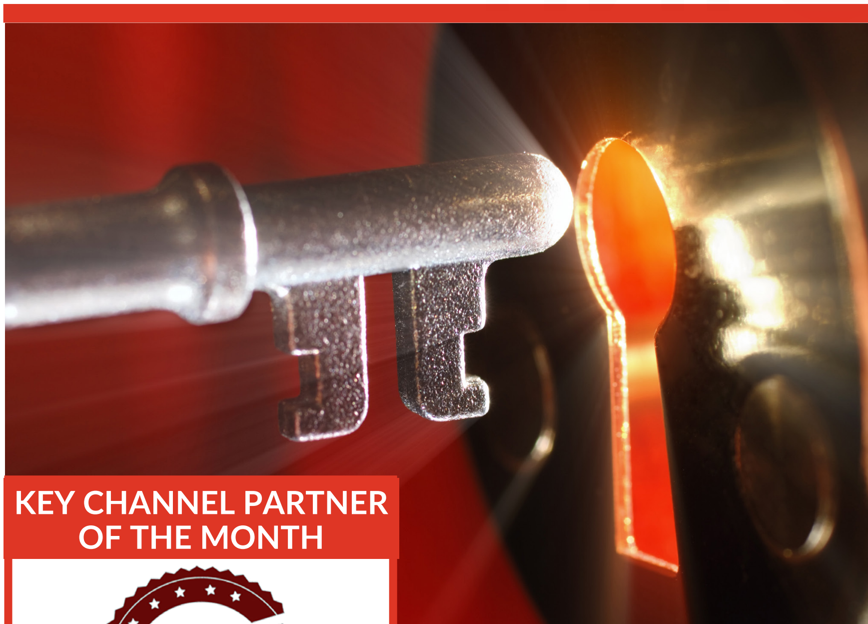
Key HR UNLOCKED

WE ARE THE KEY TO YOUR SUCCESS!



KEY CHANNEL PARTNER OF THE MONTH

LEGACY EMPLOYER CONCEPTS

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!

Key HR has aligned with preferred partner 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 work-force, increase revenue and minimize risk.

If you need help managing increasingly complex employee related matters such as health benefits, workers' compensation claims, payroll, payroll tax compliance, and unemployment insurance claims, employee leasing through a Professional Employer Organization (PEO) may be the solution.

With an employee leasing agreement, the PEO assumes these responsibilities and allows you to concentrate on the operational and revenueproducing side of your business.

A Return to Quality Service Delivering

Our veteran sales team is highly skilled and trained to identify the Key HR products and services that will meet the distinct HR needs of prospective clients of all sizes, across all industries.

Our experienced service delivery managers take the time to listen and learn about each individual client -- not only about their people and HR compliance needs, but also about their industry and what the client expects to achieve from its relationship with Key HR.

PAYROLL

IRS Finalizes Rules to Allow Employers to Mask SSNs on Employees' W-2s

The IRS has finalized regulations to allow employers to voluntarily truncate employee social security numbers (SSNs) on copies of Forms W-2, Wage and Tax Statement, furnished to employees after December 31, 2020 [84 F.R. 31717, 7-3-19].

The regulations allow employers to voluntarily mask SSNs so they appear in the form of IRS truncated taxpayer identification numbers (TTINs), which display only the last four digits of a taxpayer identification number (TIN) and use X's or asterisks for the first five digits (i.e., XXX-XX-1234 or ***-**-1234).

TRUNCATION ALLOWED ON EMPLOYEE W-2 COPIES ONLY
The final regulations permit employers to truncate employees' SSNs to appear in the form of a TTIN on copies of Forms W-2 that are furnished to employees under IRC §6051 (copies B, C, and 2). It is important to note that truncation of SSNs on employee copies of Form W-2 will not be required. The decision is entirely up to the employer.

TRUNCATION NOT ALLOWED ON W-2S SENT TO SSA
The final regulations clarify that employers may not truncate an employee's SSN to appear in the form of a TTIN on copy A of a Form W-2 filed with the Social Security Administration (SSA). Both the IRS and SSA need the full SSN on Forms W-2 to identify individuals. The IRS receives the full SSN when SSA sends the employer's W-2 file to IRS once it has finished processing the file.

americanpayroll.org

HUMAN RESOURCES

House Passes $15 Minimum-Wage Bill

The U.S. House of Representatives approved a bill that would gradually raise the minimum wage to $15 an hour by 2025. However, the bill is not likely to be considered in the Republican-controlled Senate.

The House voted 231-199 in favor of H.R. 582, with most Democrats voting for the wage increase and most Republicans voting against it. The current minimum wage of $7.25 an hour was set in 2009, and Democrats argued during the July 18 vote that an increase was “long overdue.” Rep. Rosa DeLauro, D-Conn., said that workers earning the minimum wage can’t pay for basic expenses, such as housing, medical care and education. “Congress needs to make this right,” she said.

Rep. Barbara Lee, D-Calif., called the current rate “a poverty wage.” She argued that “no one in the richest nation in the world should be struggling like this.”

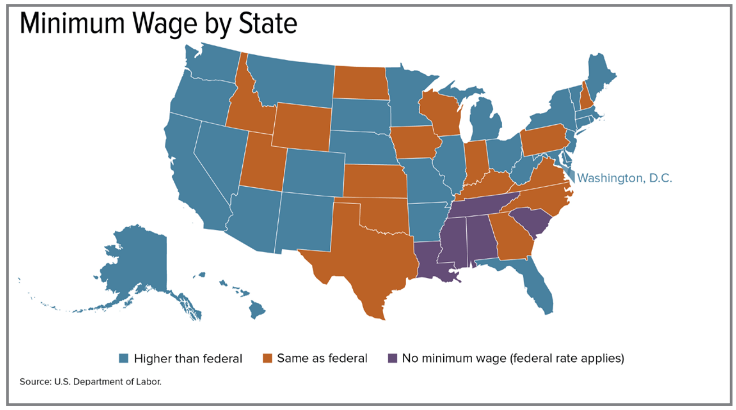
Republican congressmembers, however, argued that a $15-an-hour minimum wage would hurt a thriving economy. “The harm inflicted by this bill far outweighs the benefits,” said Rep. Virginia Foxx, R-N.C. She said the wage hike would “dampen progress.”

Gradual Increases

The proposal would increase the federal minimum wage in phases. Initially, the bill’s sponsors wanted the $15-an-hour wage to take effect in five years, but a resolution that was approved on July 17 changed the phase-in period to six years to garner support from moderate Democrats.

The minimum wage would initially be raised to $8.55 an hour on the effective date and increased again each year until it reaches $15 an hour. The bill would also phase out the sub minimum wages that certain employers may pay to workers with significant disabilities and tipped employees.

The increase would affect some regions of the country more than others. Although the federal minimum wage hasn’t changed in a decade, many states and cities require employers to pay higher rates. Some states, such as California and Massachusetts, are already phasing in a $15 minimum wage, and some large businesses have recently announced that they will pay at least $15 an hour for all U.S. locations.



Impact Debated

The Congressional Budget Office (CBO) recently said that the wage hike would lead to raises for 27 million workers but also cause over 1 million job losses. The bill’s supporters have focused on the raises while opponents have highlighted the losses.

Some employers support a higher wage rate and others don’t. Many large businesses pay more than the federal minimum, noted Alfred Robinson Jr., an attorney with Ogletree Deakins and former acting Wage and Hour Division administrator in Washington, D.C. The minimum wage is the floor, and it’s good that some businesses can pay more and make higher wage offerings part of their recruiting strategy, he said.

But an increase to $15 an hour would probably hurt first-time job seekers, because it would create a greater financial hurdle for employers, he noted. “Small, local and independent businesses with small workforces don’t have the financial recourses that larger employers do,” he added.

Some employers may offset the cost of a minimum-wage increase by cutting other benefits, said Caroline Brown, an attorney with Fisher Phillips in Atlanta. “There are many jobs where the hourly rate is only one component of the employee’s compensation and benefits package.” Moreover, she said, businesses may raise the prices of goods and services to keep profits stable, particularly in the restaurant and hospitality industries. Robinson noted that more employers may turn to technology to perform low-skilled jobs.

The minimum-wage rate is “definitely an issue that has people’s attention, and an increase isn’t beyond reason,” Robinson said. But what is a fair minimum-wage rate? While $15 an hour may be “overreaching,” lawmakers may have some room to compromise on a new rate, as well as other aspects of the Fair Labor Standards Act that need to be updated, he said.

shrm.org

5 Ways Companies Are Innovating in Healthcare

From large employers like Walmart, down to those with smaller employee populations, addressing a fragmented and expensive healthcare system is a top priority. Here are five takeaways on the state of healthcare from some of the world's largest employers.

Employers are done with fee-for-service

Reality is, employers are in a unique position to demand a shift toward aligned incentives. They're investing in strategies that create healthcare value for their populations, like bringing care at or near where an employee works, greatly improving access, generating cost savings and promoting healthier populations.

Transparency and accountability matter

We are in an era of disintermediation, and employers are holding partners more accountable. For example, local health systems are hard-pressed to demonstrate they can deliver quality care that improves outcomes at lower costs; health plans are feeling the heat for negotiating cost effective rates with affordable premiums; and pharmacy benefit managers (PBM) are under fire for operating behind closed doors.

In data we trust?

Benefits managers know healthcare costs are largely driven by referral patterns. They are exploring partnerships with organizations who can accurately combine claims and electronic health record data, among other sources, to uncover quality, low cost providers with the best outcomes.

Engagement is critical

To address behavior change, employers are improving access to resources that meet their employees where they are. An application or fitness program is only a band aid layered on top of a far more complex, deeply rooted issue without benefits to support and sustain the resources. For employers, it requires going beyond an app. As anyone who treats patients knows, technology must be combined with convenient access to care to be effective.

Integration is the key ingredient

Employers foot the bill for half of the population — nearly 160 million Americans — putting them in a position to shake up the industry. We expect they will take an increasingly proactive approach, demanding access to high-quality care providers, transparency and accountability.

Can employers fix healthcare? We believe the answer is yes.

benefitnews.com

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!

605 E. Robinson Street
Suite 500, 5th Floor
Orlando, FL 32801

800.922.4133

info@keyhro.com

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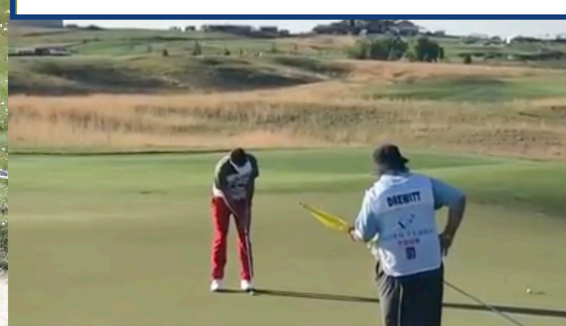

GOLF CORNER

BRETT DREWITT

Upcoming Tournaments

Price Cutter CHARITY CHAMPIONSHIP PRESENTED BY Dr Pepper EST. 1990

JUL 25 - 28

Price Cutter Charity Championship presented by Dr Pepper