Key HR UNLOCKED
We ARE The Key to Your Success!
ISSUE NO.60 | JUNE.2023

KEY CHANNEL PARTNER OF THE MONTH

X CREATIVE

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 out 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!

PAYROLL

June Economic Outlook: The United States & Debt

Most everyone agrees the country has a problem with debt and the debt ceiling. No one agrees on what to do about it.

Quick takeaways

- **Inflation really does seem to be on a downward trend.** Combined with continued strong job numbers, that signals some economic strengths.
- **Debt ceiling discussions threaten to derail that.** The United States has never defaulted on its debt obligations—ever. We may be in uncharted territory, just as we're fully exiting the pandemic.

We very much wanted to take the summer off from big economic news, but the powers-that-be in Washington, D.C., decided otherwise. The debt ceiling debate took up a lot of headlines this last month, with repercussions that stretch into the future. Learning a little bit more about how the federal government pays for both past obligations and future commitments and what that means for the economic outlook for this country and the globe can be helpful. Unlike some of the moves you hear about in D.C., the debt ceiling discussions may, in fact, reach its fingers out to touch your economic life.

The history of debt in America

If you had to guess, how many of the 45 U.S. presidents have balanced the budget? The answer? One. Yes, you read that right: Exactly one U.S. president—Andrew Jackson—balanced the budget, just once, during his two terms in office. (That balanced budget was also followed by the long-lasting panic of 1837; the two may have been related, but that's another story.) U.S. debt started mostly with the country's inception: Revolutionary War leaders had to borrow from other countries to finance the things they needed to win the war, to the tune of $43 million. We've kept chugging along with debt for 250 or so years, the U.S. government borrowing to pay for the things that it (i.e., citizens and politicians) decides it wants to pay for.

Today's federal debt is a combination of all those past obligations plus interest plus future commitments, for a country of 334 million citizens. The federal debt differs from your traditional debt, like a mortgage. For example, if you want to own a house, you probably need a mortgage to finance most of the purchase. You agree to payments at regular intervals to satisfy that obligation. In return, you get something—living in the house—and your principal is regularly paid down. Congress and the president—not just the current one—have always decided to take on more obligations than they can pay for. That has turned U.S. debt into something more like a credit card.

Your wallet: Is new debt really worth it? Five questions can help you figure out the answer.

Why the debt ceiling has become a political tool

So we've always had debt. But what we haven't always had is the debt ceiling. Congress—the House and Senate—have Constitutional authority and responsibility to create a federal budget. And prior to 1917, Congress authorized the U.S. Treasury to issue debt, but that debt had to have a specific purpose. The 1917 Second Liberty Bond Act flipped the script: The U.S. government could take on debt for any purpose, but couldn't take on debt above a certain amount, determined by Congress—a debt ceiling.

The problem, then, is two-fold: There is budget reform, and there is the debt ceiling. Unlike your debt and your budget, the federal government's debt and its debt ceiling are not tethered together. The debt ceiling permits the federal government to pay for bills it has already authorized; the federal budget creates future obligations Congress and the president have agreed to fund.

The U.S. isn't unusual in relying on debt to pay for things; nearly every country in the world does it. Many countries have debt limits, sometimes formal, sometimes not, and mostly structured as a percent of their gross domestic product. Only the U.S. and Denmark have a debt ceiling.

Time will tell how this debt ceiling crisis affects every one of those 334 million citizens.

principal.com

HUMAN RESOURCES

Thinking of Eliminating an Employee Benefit?

Both the COVID-19 pandemic and the Great Resignation prompted employers to sweeten the total rewards pot with new and enhanced perks to better help—and attract and retain—employees. Now, though, economic uncertainty and recession fears are pushing employers to rethink their offerings—and even eye cutting benefits, research finds. But smart employers will find a way to think about what's most important to their workers and continue to offer the benefits that matter most.

That was one of the main takeaways during a Spotlight Stage session June 11 at the SHRM Annual Conference & Expo 2023 in Las Vegas. The overwhelming majority of employers (95 percent) reported a recalibration of their company's benefits strategy amid economic uncertainty, according to a recent survey of 500 C-suite-level executives and HR decision-makers by Austin, Texas-based Care.com, an online care marketplace, while about half (47 percent) said they are trimming their benefits.

"That's not a surprise if we think about the economic downturn and the changes that we're facing. We all have to be conservative with our spend," said Jess Marble, director of Care for Business.

So what's on the chopping block? Adoption/fertility benefits topped the list (cited by 35 percent of employers), followed by commuter benefits (33 percent), financial education resources (32 percent), health and fitness discounts (32 percent), home office stipends (32 percent), and learning and development programs (32 percent). Senior care benefits, 401(k) matching, mental health support and child care benefits are also potential cuts.

Employers are mainly planning to cut niche benefits that can save them money and may result in less negative employee feedback than others. Cutting other benefits that are more universal will likely receive more of a negative reaction, Marble warned.

"If you took away commuter benefits, you're probably going to have a little bit less of an uproar than if you took away child care," she said.

That's because family and caregiving benefits, such as child care and senior care options, are growing in popularity due to the vast number of employees who take care of a family member. Meanwhile, senior care options are unaffordable and unattainable for most employees, Marble said, and scores of employees with children have reduced their hours or left the workforce entirely because "paying for care often is not affordable."

"When something happens to someone you love, it impacts you at work," Marble said. About 8 in 10 respondents in Care.com's survey said child care benefits have a positive impact on productivity, and nearly as many agreed this support boosts talent recruitment and retention.

Organizations are in a tough spot trying to manage competing priorities, Marble acknowledged, and leaders need to be thoughtful in deciding which benefits will stay and which will go, if that is what needs to happen.

"We know you all are prioritizing benefits to drive productivity and to retain top talent. We know that you have very constrained budgets and resources this year to do so," Marble said. "So how are you determining the best benefits that will give you the most impact for your business?"

There's one important thing employers should do before determining what is and isn't of value to their workers: Ask them. Marble said HR and benefits leaders should survey their employees to ask them what they are looking for from their employers. But rather than ask workers about a series of specific benefits, they instead should ask them what their pain points are.

"Don't ask your employees what specific benefits they want. They are not benefits experts," she said. "You need to ask them questions about the pain points that are distracting them outside of work. Ask them, 'If there's one thing that could alleviate the stress that you feel, what would that be?' "

The other thing employers can do with surveys is leverage managers, Marble said. "Your managers are the frontline experts knowing what's going on with your employees. They can help drive participation in the surveys; they can help encourage employees to answer those honestly," she said.

www.shrm.org

EMPLOYEE BENEFITS

Financial Education Can Help Employees Keep Their Retirement Savings Intact

Employees are shouldering a lot of financial stress as persistent talk of inflation, layoffs and economic uncertainty remains top of mind. Yet they may be hurting their long-term financial security if they let that unease get the best of them.

Morgan Stanley at Work's annual State of the Workplace report revealed that 66% of employees say financial stress is impacting their work and personal life, and 66% of all employees have scaled back on their retirement contributions because of inflation and concerns around a recession.

Younger employees in particular are more likely to skimp on their retirement, as 80% of millennials and 78% of Gen Z reduced their retirement contributions, compared to 58% of Gen X and 40% of boomer workers. Younger employees may lack a solid foundation of knowledge that could prevent them from making more prudent choices, says Craig Rubino, head of participant insights, financial wellness and learning at Morgan Stanley at Work.

"Many employees are probably still developing a baseline understanding of how to invest in general — many of these employees haven't gone through financial literacy education in high school or any type of finance training or learning," Rubino says. "Employees need to understand the trade-offs. Any actions they're taking today will have significant consequences on their nest egg down the road."

ADVERTISING

A survey by Value Penguin revealed that 63% of employees don't understand how 401(k)s work — without a basic understanding of financial concepts around retirement and other financial topics, employees may feel like they can only focus on their immediate financial needs.

Yet employees are eager to learn. Morgan Stanley's research found that 92% of employees prioritize retirement planning assistance when considering where to work. Eighty-four percent of HR leaders understand that financial education around retirement is a key recruiting and retention strategy.

"We recommend that employers play a big role in this process through education," Rubino says. "Providing things like webinars, workshops, access to one-on-one coaching and financial advisers can help employees make smart decisions around their finances, especially around their retirement plan."

But simply providingthe education means nothing if employees aren't engaging with the offerings. Instead of loading up a benefits plan with too many programs, employers should focus on one or two benefits that employees will actually use, Rubino says. Surveying employees to see what they actually need will save employers money and the headache of having too many benefits to manage.

"A lot of successful companies will survey their employees and collect data and then make smart decisions around it so they can focus on the benefits that are the most valuable for their employees," he says. "One desirable benefit is better than many benefits that employees aren't adopting or utilizing."

One benefit that is in high demand is access to financial planners for a more personalized approach to short-and long-term strategizing. Morgan Stanley's survey found that 60% of employees say retirement planning assistance from financial planners is a high priority to them.

Beyond financial planning, employers must focus on stress management as core to many of these issues, Rubino says. Making sure employees feel supported in managing their stress and anxiety will trickle down to how they manage their money, too.

"Given the current environment of inflation, and certainly the possibility of recession, employees are very fearful about their finances and they're asking for help," Rubino says. "HR leaders are getting a bit more creative about how they invest in their people around stress, and it's something they can often do at no cost with a comprehensive toolkit of education at their disposal."

benefitnews.com

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.

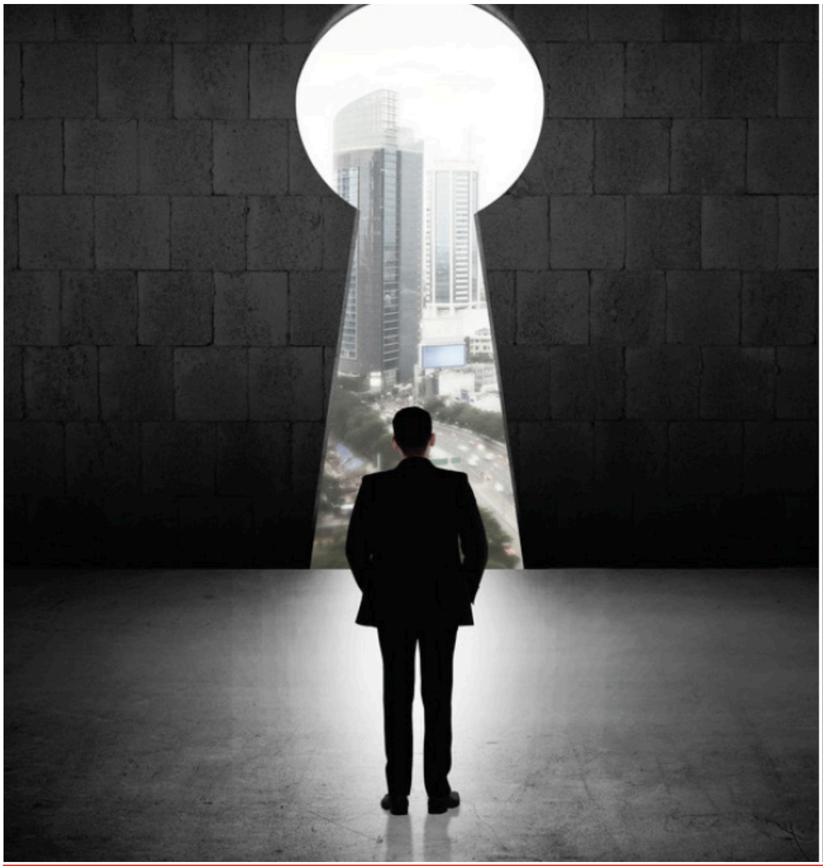
KeyHR will work on your behalf in dealing with premiums, claims, regulators and injured workers to ensure the best possible outcomes for your business, your employees, and your bottom line.

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



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- 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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In honor of Juneteenth, Key HR's office will be **closed on Monday, JUNE 19th**.
We will resume normal business hours Tuesday, June 20th.

If your payroll is processed or paid on that day, you will need to contact your Payroll Specialist for alternative dates.

Please submit all new hire information 48 hours prior to submitting payroll. This will ensure that new hires are entered into the system in a timely manner.Please complete and return this form to your Payroll Team to ensure that your payroll is processed and delivered accurately and on time. Please be sure to report payroll by 11:00 a.m. on the appropriate day. To guarantee timely direct deposits, please follow the timeline below:

Submit Payroll by 11am on	Holiday Delivery Schedule
Wednesday June 14th - ACH	Friday June 16th
Thursday June 15th - Wires	Friday June 16th
Friday June 16th	Tuesday June 20th