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Annual Inflation Ticks Up After Months of Declines

The impact of President Donald Trump's tariffs is starting to be felt, with annual inflation ticking up in May after three months of declines.

The consumer price index (CPI) for May increased 0.1% on a monthly basis and rose 2.4% for the 12 months ending in May, the U.S. Bureau of Labor Statistics (BLS) reported June 11. The annual inflation rate was just above April's 2.3% figure and the same as in March. The index for shelter rose 0.3% in May and was the primary factor in the all items monthly increase, according to the BLS. The food index increased 0.3% as both of its major components, the index for food at home and the index for food away from home, both rose 0.3% in May. Conversely, the energy index declined 1% in May as the gasoline index fell over the month, the BLS reported.

Core inflation inched up 0.1% in May — following a 0.2% increase in April — and 2.4% annually. Although inflation broadly held steady, the CPI report showing an uptick provides an "indication that progress on inflation has started to stall, a bit of a setback alongside recent evidence that economic activity is starting to slow down," explained Sydney Ross, economic researcher at SHRM. Given the ambiguity surrounding ongoing trade policies, and evidence suggesting that businesses frontloaded consumer goods earlier in the year in anticipation of widespread tariffs, it has taken longer to see how consumer prices have responded, she said.

And although there has been, to some extent, "an unwinding of the harshest tariffs, uncertainty over trade policies continues to be a challenge for employers as they wait for clarity on which goods will be impacted and what the tariff rate will be in the future," Ross explained. Anecdotally, employers are saying that tariffs and economic concerns are impacting their strategies. For instance, more than half of companies across the U.S. and Canada (56%) said their workforces are concerned about base pay increases in light of recent changes to economic policies and the implementation of Trump's tariffs, according to a pulse survey of 218 respondents conducted in April by consulting firm WTW.

Indeed, roughly a quarter of organizations (23%) are expecting tariffs and ongoing economic volatility to result in reduced pay increases for the remainder of the year, WTW's survey found.

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Real Earnings Increase

Real average hourly earnings for all employees increased 0.3% from April to May, seasonally adjusted, the BLS reported separately. This result stems from an increase of 0.4 % in average hourly earnings combined with an increase of 0.1% in the CPI.

Real average weekly earnings increased 0.3% over the month due to the change in real average hourly earnings combined with no change in the average workweek.

From May 2024 to May 2025, real average hourly earnings increased 1.4%, seasonally adjusted.

shrm.org

HR leaders: Help Eliminate Perception Bias, Not Fall Into It

Regrets about the one that got away can keep an HR executive up at night. You work hard to attract the talent your organization needs to succeed and to build a workplace culture where employees can excel. That's why you can't afford to let perception bias derail HR-related decisions at any point in the employee lifecycle. Like any form of unconscious bias, perception bias can be a sensitive topic for workplace leaders to confront, Dube notes. But while we'd all prefer to believe we are bias-free, she says unconscious bias affects everyone and requires a deliberate effort to resist. The antidote to perception bias in the workplace is to ensure that objective evaluation guides decisions about hiring, promoting and developing employees. Behavioral assessments, as part of a broader strategy, can be an effective tool for mitigating perception bias.

How Perception Bias Shows Up An example of perception bias might be assuming that a quiet employee doesn't have the leadership qualities needed for a promotion, when in fact the person might be a highly strategic thinker who would do well in the role, Dube says. This kind of stereotyping is one of several common types of perception bias, and it can be rooted in assumptions about personality, age, race, ethnicity, gender and many other characteristics. In a November 2024 survey by Intelligent.com, 80% of Gen Z employees said negative stereotypes about their generation — like viewing them as lazy or entitled — adversely affected their work experience. Dube shares another example involving affinity bias, also called similarity-attraction bias. It can happen when managers decide to hire, promote, or assign people who resemble them or seem to fit in with the team. But that can mean overlooking high-potential talent and losing the diversity of thought that makes for the most productive work teams.

How Behavioral Data Helps Counter Perception Bias

Assessments let leaders understand an individual's natural behavioral drives and needs in a work environment. The Predictive Index Behavioral Assessment measures four key behavioral drivers: dominance, extraversion, patience and formality. Together, these components create a behavioral pattern or "Reference Profile" that can be used for job fit, management, conflict resolution, and more. PI advocates a



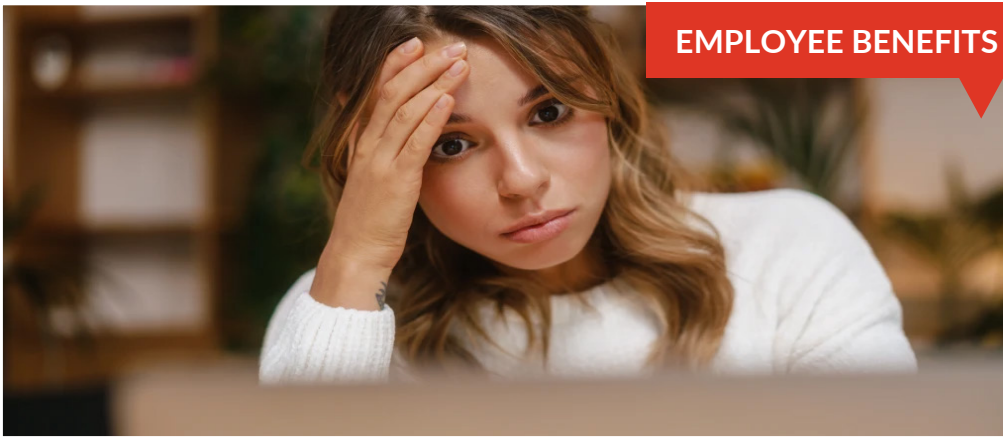
"whole person" view of job candidates and employees that it calls Head, Heart and Briefcase. The head stands for cognitive ability: the way someone learns and solves problems. The heart represents their behavior and natural drives and provides insights into their potential fit within the team and culture. The briefcase symbolizes their experience and skills. Dube notes that the assessment enables you to map out your team's behavioral competencies and design ways to reduce any gaps or friction points to improve collaboration. The choice of how and when to apply this data comes down to what's most critical to a team's success.

Beyond Assessments: A Multi-Pronged Approach to Bias Mitigation While PI's behavioral insights are a powerful tool to counter perception bias, they are most effective when combined with other tactics for addressing this challenge. The strategies below can support a talent-optimized approach to mitigating perception bias:

- Create a culture of awareness around perception bias, making sure everyone understands the importance of addressing it.
- Provide training to deepen managers' and employees' knowledge of the subject.
- Conduct structured job interviews that reduce room for biases and assumptions that might influence the candidate assessment.
- Pay attention to the diversity of your hiring team.
- Be transparent about your criteria for job promotions.

The Predictive Index helps clients measure the effectiveness of PI's assessment and other methods to curb workplace bias through employee engagement surveys that include questions about diversity and fairness. Showing measurable results helps to build the business case for a consistent, comprehensive strategy to prevent bias from creeping into talent acquisition and management.

www.hrdive.com



Employees Are Spending Too Much on The Wrong Benefits. Here's How Leaders Can Help

Every year, employees deduct funds from their paycheck toward health plans and retirement contributions, but without proper guidance from benefit leaders, those decisions could put their personal finances at risk. 37% of employees avoid thinking about their benefits and retirement plan entirely because they're too overwhelmed, according to a recent report from employee benefit platform SAVVI Financial. As a result, 19% of employees say that their benefit choices have resulted in financial stress, and 72% are more concerned about their financial choices this year than they were last year.

According to the report's findings, 42% of participants say they spend too much on healthcare and are delaying major life milestones — like buying a home, starting a family and getting married — to keep from falling into debt. More than a third of employees say that healthcare-related costs leave them with little to no room for unexpected expenses, with 29% having dipped into savings to cover health costs in the last year. As for retirement, 39% of employees haven't calculated how much they need in order to retire comfortably and one-third feel as though they're not on track to retire at all.

Benefit education is still missing the mark

To solve the issue, many companies are still relying on solutions such as benefit guides or instructional videos, which may contain the right information but may not always communicate it successfully. Nearly one in five employees still don't fully understand their healthcare options, with several respondents admitting that they don't know their max-out limits, their coinsurance and their insurance premiums, deductibles and copayments. In addition, 13% of employees don't know how much they're contributing to their 401(k), and 15% don't know how much their employer matches. Unlocking value in underused benefits

A digital-first approach helped employees better manage diabetes, hypertension, and chronic pain. Partner Insights from Castlight "Education matters — but it hasn't solved the problem yet," Harrison says. "The industry has come to the table with a plethora of solutions and the promise to solve it, but everyone just ends up more confused." As a result, 77% of employees keep the same selection without re-evaluating how their circumstances have changed and 33% opt for the cheapest option, according to SAVVI's findings. Without intervention, this hasty decision-making could have long-term impacts on employees' futures.

Better tools lead to better outcomes

Ninety-one percent of employees who have used AI or the internet for benefit guides agree that the information they received is trustworthy, according to the report. But while this information is potentially correct, there is still room for error. To reduce those risks, tech tools that help employees select benefits or provide information on their options should be embedded directly into an organization's guidance platform. Investing in a more comprehensive and centralized benefit selection tool could provide employees with the understanding they need to make informed decisions for their individual needs, as well as around-the-clock support.

However, not every tech tool is the right fit for every company, according to Harrison. Benefit leaders need to have a good understanding of the kind of assistance their workforce needs and where they are struggling the most in order to choose a tool accordingly. Helping employees make better benefit selection decisions has a good business imperative, too. Not only could it prevent organizations from spending more on things like healthcare premiums and benefits that aren't being utilized, it could significantly boost presenteeism, employee engagement and loyalty.

www.benefitnews.com

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JUNE TEENTH

Freedom Day

JUNE 19

from your friends @ 

Key HR will be closed **Thursday, June 19th, 2025**, in observance of the Juneteenth National Independence Day. All Banks will also be closed in observance of the holiday.

Payrolls normally due to submit **Thursday 19th** will be due for Submittal **Wednesday June 18th**.

All paychecks normally dated for **Thursday, June 19th**, will be dated **Wednesday, June 18th** or **Friday, June 20th**. There will be NO deliveries on **Thursday, June 19th, 2025**.

Please submit your payroll no later than **11:00 a.m. on the appropriate day**.

To certify new hire information is completed in a timely manner, please submit all new hire information **48 hours prior** to submitting your payroll.