

IRS Clarifies COBRA Subsidy Rules : Involuntary Termination of Employment



May 2009
Happy Mother's Day!



**Nearly all men
can stand adver-
sity, but if you
want to test a
man's character,
give him power.**

**-Abraham
Lincoln**

In a notice published March 31, 2009, the Internal Revenue Service addressed a range of significant issues arising from the new COBRA subsidy rules, which were introduced by the American Recovery and Reinvestment Act of 2009 (ARRA). ARRA provides that certain individuals who have the right to continue group health coverage because of an involuntary termination that occurred (or occurs) between Sept. 1, 2008, and Dec. 31, 2009, may qualify for up to nine months of assistance in paying for that coverage.



The notice provides guidance on several key subjects, including the following:

Involuntary termination of employment. The notice provides that an involuntary termination of employment includes not only situations where an employer discharges an employee who is willing and

able to work, but when the employer's material adverse actions give the employee good reason to terminate employment. For example, when an employee accepts a severance package rather than face the prospect of an announced reduction in force or when an employee quits rather than accept a position with significantly reduced hours, the termination of employment will be considered involuntary for purposes of the COBRA subsidy.

The guidance addresses a few specific situations. For example, layoffs (that reduce an employee's work hours to zero) and lockouts initiated by the employer will be considered involuntary terminations of employment. Strikes initiated by employees or their representatives will not.

4/2/2009 Edward I. Leeds and Clifford J. Schoner, SHRM

HSAs Help Pay Retirement Health Costs

Money from health savings accounts (HSAs) can be used not just for current health-care expenses, such as co-pays and deductibles, but to save for future expenses, such as Medicare premiums, on a tax-free basis, reports Dow Jones Newswires. In 2009, the maximum annual contributions are \$3,000 for individuals and \$5,950 for families.

"HSAs are a great way to save for retiree medical expenses," says Carolyn McClanahan, a medical doctor turned certified financial advisor who practices in Jacksonville, Fla. In 2009, the maximum annual contributions are \$3,000 for individuals and \$5,950 for families.

Fidelity Investments estimates that the average 65-year-old couple retiring in 2009 without retiree health-care benefits would need \$240,000 for out-of-pocket medical expenses during the rest of their lives. That figure doesn't include over-the-counter medicines, most dental services and long-term care. The figure is up 6.7% over Fidelity's estimate of a year ago, and 50% above the original 2002 estimate.

4/02/09 SHRM

How to Justify Spending Money on Workplace Wellness During a Recession



Be strategic with your wellness program! You need to know why you're doing it and communicate the right information to your staff. If you're making the effort to create a positive and energetic culture within your organization, tell everyone concerned. If you're doing it to ease the increased stress and burden staff may be feeling - tell them.

The reason most businesses don't simply offer more money is that extra pay can be a very short lived incentive while the right wellbeing initiatives provide staff with resources that generate personal benefits way beyond a few extra pounds each month. This is money well spent on building engagement, retention and loyalty as well as providing added value for employees.

Fancy initiatives that cost a fortune are no substitute for targeted initiatives that make a real difference. Bear in mind the following guidelines:

- a. Use initiatives that get people excited and get people involved.
- b. Incentivize your program by recognizing and rewarding those who take part. This needn't mean elaborate prizes but cost effective tokens of appreciation or even simply publicly acknowledged success stories that get staff engaged and create a brilliant buzz around your office.

-Jeff Archer, Director of The Tonic, a corporate health and wellness company.

Advocates Urge Running a Meeting by Walking It!



Forget walking the talk. Instead, put your foot down at your next meeting—one step at a time. Researchers at Washington University in St. Louis, Mo. are urging organizations to hold walking meetings, or “meetings on the move.”

The idea is to get people to become active again—just as they were as children—according to Debra Haire-Joshu, professor of social work at the George Warren Brown School of Social Work at Washington University.

About 40 percent of Americans are couch potatoes, she said, citing a statistic from the Centers for Disease Control and Prevention. Such a meeting “kind of exemplifies how you can make simple changes and really be able to impact health in a very broad sense,” says Haire-Joshu, who serves as the director of the school’s Obesity Prevention and Policy Research Center.

Onkar S. Sandhar, president of the ChaiBerry Massage Co. in Toronto, says he holds meetings on the move “all the time.” “What we found is that our meetings end up being much more effective, shorter and more innovative,” he told SHRM Online in an e-mail.

-4/14/2009 By Kathy Gurchiek

FATTY FISH FIGHTS PROSTATE CANCER

Fish high in omega 3 fatty acids like salmon and sardines can help fight prostate cancer, according to a recent Harvard School of Public Health study.

Men who ate 5 portions of fish per week improved their survival rate by 48%, compared with men who only ate one portion.



FOODS THAT FIGHT SKIN CANCER

Eat at least 5 daily servings of antioxidant rich fruits and vegetables such as watermelon, berries, cooked tomatoes, and peppers. Studies show they can heighten the body's natural SPF, says Wilhelm Stahl, PhD of Heinrich Heine University in Dusseldorf, Germany.

May 2009



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3	4	5	6	7	8	9
10 Mother's Day	11	12	13	14	15	16
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24	25 Memorial Day	26	27	28	29	30
31						



Herbs That Halt Headaches?

- **Feverfew and ginger:** Research suggests that regularly taking feverfew reduces migraine frequency, while ginger may soothe symptoms.
- **Willow:** The herb contains salicin, an aspirin-like substance. White willow (*S. alba*) is rather low in this pain-relieving stuff, so if you want more headache relief per cup of tea, look for species that are more potent, like *S. daphnoides*, *S. fragilis*. (Find out why aspirin is also a "brain pill.")
- **Red pepper:** Studies show that its heat-giving ingredient, capsaicin, may help prevent cluster headaches. (Here's why you should add the food to an egg-white omelet.)
- **Thyme:** Thyme can be used in a compress to ease achy muscles in the neck, shoulders, and back that contribute to tension headaches. You can also drink thyme tea. (Check out how this herb can healthy-up a salad, too.)

Ask Your Doc

Remember, just like pharmaceutical drugs, herbs can cause side effects or interact with medications. So before running out to the health-food store, clear your plans with your doctor, and ask about the appropriate dose. Take this quick mini assessment to learn about other uses for herbs.

James A. Duke, PhD, author of *The Green Pharmacy*



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