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Human Resources Management
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LOST WAGES

Model for estimating lost wages may be incomplete

Claims for lost wages and other forms of compensation are at the heart of wrongful dismissal, workplace injury, and workplace discrimination lawsuits. But the economic model designed for the estimation of damages may be incomplete if it does not adjust for unemployment trends and the probability of continued “but-for” employment, according to Josefina V. Tranfa-Abboud, Ph.D., a director in the Litigation and Corporate Financial Advisory Services Group at New York accounting firm Marks Paneth & Shron LLP.

The source of lost wages

According to Dr. Tranfa-Abboud, who participated in an interview with CCH, a Wolters Kluwer company, lost wages claims can arise for various reasons, such as claims of workplace discrimination, work and non-work related personal injury and wrongful death, medical malpractice, and any other situation or incident that may prevent someone from earning all or a portion of expected wages and/or fringe benefits.

“These claims can be brought about by current or former employees of an or-

ganization, or even an applicant who was not hired by the organization, contractors or employees of contractors whose work requires their physical presence on the premises of an organization,” Dr. Tranfa-Abboud explained. “Even consultants/contractors who provide certain services may claim that they should have been classified as employees of the organization and may pose a claim for compensation and benefits on that premise.”

Impact of recession on lost wages claims.

When asked about the recession’s impact on lost wages claims, Dr. Tranfa-Abboud said that while these claims are brought up all the time, the most recent recession has definitely increased their intensity. “And I expect an increased frequency of these claims over the next couple of years,” she said. “However, more than seeing an ‘uptick’ in these claims, what I have seen is a consistent lack of analysis of the effects that the recession could have had on someone’s ability to

continued on next page

PRODUCTIVITY

Majority of telecommuters work less than eight hours per day

While nearly one-in-five (17 percent) Americans who telecommute at least part of the time spend one hour or less per day on work, 35 percent work eight or more hours — a major increase from a 2007 CareerBuilder study in which only 18 percent of telecommuters said they worked eight or more hours. Forty percent of telecommuters work between four and seven hours per day.

The national survey — conducted May 19 to June 8, 2011, with nearly 5,300 employees — reveals that Americans are able to work from home on a more regular basis post-recession. Ten percent telecommute at least once a week — up from eight percent in 2007.

Telecommuters are largely split as to whether time spent at home or at the office is

more conducive to high-quality work. Thirty-seven percent say they are more productive at the office, while 29 percent report they are more productive at home. Thirty-four percent do not see a difference, stating they are equally productive at home and the office.

While most offices have their fair share of productivity roadblocks, home is hardly a disturbance-free zone. Telecommuters say the following are the biggest distractions:

- Household chores — 31 percent;
- TV — 26 percent;
- Pets — 23 percent;
- Errands — 19 percent;
- Internet — 18 percent; and
- Children — 15 percent. □

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Source: CareerBuilder.com.

INSIDE

Benefits	76
Worker mistakes are avoidable	
Open enrollment	77
What to expect this year	
Sustainability	78
Tips for going green at work	



LOST WAGES

continued from front page

maintain employment and earn a certain level of wages. I see a consistent assumption of 100% certainty in analyses of lost wages that belies reality, particularly during the recession years.”

How lost wages are being calculated

“There is never a 100 percent guarantee of continued employment, and the probability of economic fluctuations and recessions, and other factors affecting long-term employment, should always be considered when estimating lost wages. There is a relatively simple approach to considering the risk of unemployment, but lost-wages models do not always reflect this,” said Dr. Tranfa-Abboud. “The problem is this: Estimates of lost wages are in many instances based on the assumption that, if not for the injury or termination, the employee would have been continually employed with 100 percent certainty.”

“In my experience, many organizations do not have an equation by which they evaluate such claims,” Dr. Tranfa-Abboud continued. “And when a claim arises, an objective consultant should evaluate the proper model for an analysis, based on the policies and practices of the organization, as well as historical information on turnover. Information regarding the organization and the market that it operates in is very crucial in these analyses, which should include an evaluation of both internal (organizational) factors, as well as external (market and economic conditions). However, the equation that each organization utilizes in the determination of compensation should be periodically evaluated and tested.”

Dr. Tranfa-Abboud clarified that it's not that employers are using an incorrect equation for determining lost wages, but that the equation being used may just be incomplete. “Each organization is different and each organization establishes its compensation policies and practices based on the characteristics of the product or services they market,” she continued. “Within the organization, each

division/department/group may have different and very specific requirements and qualifications. Equations that account for the appropriate elements require a more in-depth analytical review.”

“The risk of unemployment always exists,” Dr. Tranfa-Abboud continued. “Yes, we live in unprecedented times, but we should always be asking the question, ‘Can we be certain this individual will always be employed?’ A realistic analysis would have to incorporate the probability that a person would have periods of unemployment, and that potential wages would have been lower as a result.”

Sample wage-loss analysis model

According to Dr. Tranfa-Abboud, any lost wages analysis should be aimed at establishing with a reasonable degree of economic certainty the net amount of money that an individual would have had access to. “Analyses of lost wages are not a ‘one-size-fits-all’ analyses,” Dr. Tranfa-Abboud explained. “Many particulars are to be considered depending on the jurisdiction, the type of claim, the history of compensation, etc. However, some general questions apply across the board.”

Dr. Tranfa-Abboud said a lost wages analysis model should address the following questions. Also noted are Dr. Tranfa-Abboud's comments regarding each question.

- What is the potential lost wages period? When should the lost wages projection start and at what point in time (or at what age of the plaintiff) should the projection terminate? *NOTE:* The answer to this question pivots on the type of claim (wrongful termination, failure to promote, personal injury or wrongful death, or medical malpractice), as well as on the jurisdiction in which some claim is filed.
- All else equal, would there have been any increases to the plaintiff's earnings over the course of the projection? *NOTE:* The answer to this question depends on jurisdiction (in some jurisdictions the courts may not allow for wage increases to be included in the analysis), but it also depends on historical increases the individual received

during employment, the progression of the individual on the age-earnings profile, whether the employee was/is a unionized worker with set salary increases (such as teachers, police officers, or trade occupations).

- What is the probability that the individual would have earned wages in any given year? *NOTE:* This requires considerations regarding company-specific turnover, occupation specific turnover, and/or unemployment trends.
- What taxes would the employee have paid on their wages? *NOTE:* The answer to this question also depends greatly on jurisdiction. In some jurisdictions claims of personal injury/wrongful death/medical malpractice are to be conducted without any considerations on taxation.
- What fringe benefits would the employee have been eligible to? Would the employee have had to pay a portion of a premium, or have made a contribution to any fringe benefits? *NOTE:* Many claims of lost wages are constructed on the assumption that the monetary value to the employee of fringe benefits is equal to the cost of fringe benefits to the employer. This is, in most cases, erroneous. Sometimes fringe benefits do not result in

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LOST WAGES

continued from previous page

direct dollar amount benefits, and sometimes monetary benefits do not result unless an incident takes place. Such is, in particular, the case of life and disability insurance.

- Would the employee have been eligible for bonuses, stock options, or preferred stock? *NOTE:* These components of compensation may carry higher risks than just the probability of maintaining employment as they are more hinged on company performance and other market forces than just wages and fringe benefits.
- Are there any mitigation earnings to be considered, or is the employee capable of generating income to replace all or a portion of the wages lost? *NOTE:* This question should be accompanied by equivalent question on the probability of mitigating wages, potential wage increases, the likelihood of fringe benefits, and taxation where applicable.
- In personal injury claims, is the employee receiving a disability pension, or social security disability income? Does the employee continue to receive the same health insurance coverage as before the incident (where applicable)? *NOTE:* While this question should also be raised, jurisdictions differ on the point of time at which such benefits are to be considered. Courts in the State of New York typically disallow this information until after a jury has deliberated and decided on a damages amount. Disability benefits are then considered at a so-called “collateral offset hearing.”

What can employers do?

If a claim is filed against your organization seeking lost wages, Dr. Tranfa-Abboud said you should discuss with employment counsel the advantages of getting a consulting employment expert with litigation experience involved in the process early, regardless of whether or not the claimant designates an expert. “In the process of the discussion, research the credentials

of any expert that may be considered for the case, and evaluate the financial costs and benefits relative to the legal strategy of the organization,” she explained. “In many circumstances, the assistance of an expert can be crucial in establishing the exposure of the claim. Experts, counsel, and organization representatives together make up the team necessary to workshop the claim and evaluate objectively the potential exposure.”

In the meantime, Dr. Tranfa-Abboud outlined the following seven actions employers can take to protect themselves against lost wages claims:

1. One of the most valuable tools in examining the probability of earnings is establishing the likelihood that someone would have remained employed. Maintaining very detailed historical information regarding terminations/turnover (voluntary and involuntary) is a key element as this can become a very valuable tool in the event that a claim is brought up.
2. Review the employee handbook and consult with employment counsel about the various policies to make sure that they are in compliance with legislation.
3. Periodically review the process by which hiring, pay increases, promotions, and even disciplinary actions are defined.
4. Have updated job descriptions, which many times require that they are prepared for each division or group in the organization, especially if job titles are similar across the organization; each department/division/group is responsible for different aspects of the good and services that an organization sells. Job descriptions should be specific to the job and knowledge that is expected in each particular group.
5. When employing the services of contractors for repairs, construction, or any other services, consult with counsel regarding the regulations for safety.
6. When employing consultants/contractors for certain aspects of the job, review the policies in terms of who regulates their hours, who defines the job they are to conduct, and consult with counsel regarding the definition of “employees.”

7. One of the most important tools is performance evaluations. These should be conducted consistently, and they should be an accurate reflection of an employee’s performance over time. They also should be tailored to the job description of the employee, which would facilitate the process of establishing whether the employee meets/exceeds expectations.

In conclusion, Dr. Tranfa-Abboud stressed the importance of periodic self-audits of compensation and employment decisions. “This can assist in establishing any disparities that may be addressed before a claim may arise,” she said. “Also, and very important, is the concept of “similarly situated employees,” particularly in the case of employment discrimination claims. By definition, these claims pivot on a comparison of the claimant to other groups of employees, and they may evolve into pattern-and-practice and even class action claims. Being able to compare employees who are similarly situated may help prevent discrepancies across protected and non-protected classes.”

Finally, Dr. Tranfa-Abboud said root cause analyses can be conducted on a regular basis to establish whether any disparities affecting different groups of employees may have their source at the employee’s compensation in prior employment (“at the door”), or they may have been brought about by market forces at the time initial compensation or raises may have taken place. “Generally speaking, those hired or promoted at times of low unemployment may drive higher wages compared to those hired or promoted during difficult financial times for the organization or the industry. These episodes can be revisited, re-analyzed, and addressed periodically outside of the context of litigation.” □

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Source: *Interview conducted by CCH, a Wolters Kluwer company, of Josefa Tranfa-Abboud, Ph.D., director, Marks Paneth & Shron LLP (www.markspaneth.com), Litigation and Corporate Financial Advisory Services Group, 622 Third Avenue, New York, NY 10017-6701; telephone: 212-201-3143.*

BENEFITS

Avoidable benefits mistakes common among most workers

As fourth-quarter open enrollment period rapidly approaches, new research shows more than three-quarters (76 percent) of American workers who make decisions about benefits coverage during open enrollment admit to making mistakes about their benefits decisions. In addition, 42 percent of workers say they have wasted money each year because of mistakes they made with their insurance benefits and more than four-in-five of them say they are at least somewhat concerned about the possibility of an unexpected medical expense, considering their current financial situation.

These new findings are part of the Open Enrollment Survey of the *Aflac WorkForces Report*, an online survey of 2,220 U.S. adults ages 18+, of whom 980 were employed full/part time and responsible for insurance decisions, conducted in August 2011 by Harris Interactive on behalf of Aflac. Among other key discoveries, the study uncovers the primary ways Americans make costly mistakes in benefits decisions and reveals the impact Americans' concerns about unanticipated out-of-pocket expenses are having on their lifestyles.

"Far too many American workers are making avoidable mistakes in benefits coverage decisions — from not meeting deductible amounts to contributing too little to Flexible Spending Accounts — and, as a result of their lack of understanding or confusion, they often pay a price in multiple ways," said Audrey Tillman, executive vice president of Corporate Services at Aflac.

For example, in terms of cost-bearing mistakes and their consequences, the most common include not electing available benefit coverage such as vision, dental or voluntary, choosing the wrong level of coverage and putting too little in flexible spending account. As a result of paying unexpected out-of-pocket medical costs, 65 percent of workers have had to make sacrifices, including cutting back on social activities (40 percent), luxury items (34 percent), purchasing gifts (29 percent) and taking a vacation (28 percent). Others

admitted to working more hours (21 percent), creating a strict household budget (21 percent), and increasing use of credit cards or line of credit (19 percent).

Seventy-four percent of workers say that when thinking about their choices for major medical insurance coverage, they only sometimes or rarely or never understand everything that is covered by their policy — while slightly more than half (59 percent) of workers who choose the same benefits year after year say they only sometimes or rarely or never have a full understanding of the changes in the policies each year. Although most do not fully understand their health care insur-

ance policies, workers are worried about unexpected medical expenses. In fact, 83 percent of workers say they are at least somewhat concerned about the possibility of an unexpected medical expense, with 30 percent saying they are extremely/very concerned, considering their current financial situation.

"While workers certainly need to invest more time in making better educated decisions, employers can help by understanding workers' most common mistakes, explaining their impact, and offering best-practice solutions," said Tillman. □

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Source: Aflac; www.aflac.com.

Health benefits for domestic partners subject to federal tax, despite same-sex marriage laws



Issue: An employee who recently married her same-sex partner in New York has called to ask you whether her health flexible spending account (FSA) can be used to pay benefits for her wife. Can tax-favored benefits be provided to same-sex domestic partners from FSAs, health reimbursement arrangements (HRAs) or health savings accounts (HSAs)?



Answer: No. An employee's domestic partner does not qualify as the "spouse" of the employee for purposes of the Internal Revenue Code. This is based on the 1996 Defense of Marriage Act (DOMA), which provides that the word "marriage" means only a legal union between one man and one woman as husband and wife, and the word "spouse" refers only to a person of the opposite sex who is a husband or a wife.

Whether or not state laws apply to self-funded plans is immaterial for federal tax purposes. In companies that provide health care benefits to domestic partners (whether self-funded or insured), employees are taxed on the amount by which the fair market value of health coverage for the domestic partner exceeds the amount, if any, paid after-tax by the employee for that coverage. The fair market value may be determined on the basis of the amount that the individual would have to pay for the particular group coverage in an arm's-length transaction. There is no exemption from tax withholding on imputed income for domestic partner coverage.

President Barack Obama supports repeal of DOMA, but the law is still in effect for now. Whether or not a state recognizes same-sex marriages does not change the application of the federal tax code for health care purposes. DOMA would have to be repealed for same-sex marriage laws to affect taxation of group health benefits. □

Prepare now for health care benefits changes coming by 2014

Two benefits experts from Mercer, Steve Raetzman and Rich VanThournout, advised benefits administrators to prepare in advance for upcoming changes attributable to the Patient Protection and Affordable Care Act (ACA), during a recent webcast presented by the International Foundation of Employee Benefit Plans (IFEBP), entitled “Enrollment, Administration and Health Care Reform — Prepare for Transformations Now.”

Health care reform changes that employers can expect to see soon include increased costs, increased regulation of insured and self-insured plans, higher employee awareness of benefits entitlements, along with more questions and resulting confusion, and new benefit floors, ceilings, and benchmarks. The webcast presenters advised employers to plan now for changes occurring in 2012, 2013, and 2014, such as new mandates, new opportunities for savings, new opportunities to deliver and manage health benefits, ways to create reward packages to attract and retain workers, and ways to meet new communication and administration requirements and avoid excise taxes.

Specifically, Raetzman and VanThournout warned employers that in 2013 they will have to report 2012 COBRA plan values on employees' W-2 forms, which many employees will view as a “useful educational opportunity.” Also, employers will have to inform employees of possible tax credits and opportunities to participate in the new health care exchanges.

Employers will have to be light on their feet in the next few years. Some of the information on compliance with the ACA that has so far been released by the federal government can be confusing, the speakers warned. For example, proposed regulations issued on the new exchanges do not contain specifics with regard to exactly how employers are supposed to interact with those exchanges. Still, employers have to be ready to administer benefits according to the contents of still-proposed regulations, and also must be ready to react if proposed regulations are repealed. Raetzman and VanThournout recommended that employers come up with ways to make changes quickly.

Consequently, organizations should assess their systems and technology to make sure they are configured for future needs. A certain amount of outsourcing may be a solution for some employers, especially if they feel they lack the legislative and administrative expertise to deliver on new health care reform regulations, the speakers said. Outsourcing may also be advisable for dealing with an expected 50 percent increase in administrative reporting requirements and calls from employees who will want to know how health care reform changes will affect them personally, and what their best choices are for health care coverage.

The speakers advised that it can be cost-effective to keep employees well-informed, and in an employer's best interest to be ahead of the curve with regard to information that employees may also be receiving from the media, from friends and family, from professional, social and religious organizations, and from the government.

Set stage early. Employers will also have to think ahead of time about how to

deal with possible complexities that may arise as a result of health care reform. Some things, like employee terminations, can happen all year long, they reminded listeners. Also, the appeals process may differ from state to state. Are employers prepared for what is supposed to happen when employees move from an exchange to an employer's plan, or when employees perhaps fail to follow through on enrollment or forget to terminate a plan after enrolling in another one? Or when employees change from part-time or contract worker status to full-time with benefits status? The speakers advised communicating expectations to employees ahead of time, to lessen the chance that they will move to exchanges when they do not need to. The speakers advised a multimedia approach, to be sure that employers get the message across, which would include Internet, service center, print, and e-mail communications. □

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Source: “*Enrollment, Administration and Health Care Reform — Prepare for Transformations Now*,” IFEBP webinar, July 21, 2011.

OPEN ENROLLMENT

Trends to expect during open enrollment

With open enrollment season about to begin, many employers remain committed to providing employee health care benefits. However, they will continue to shift costs to employees, according to experts at Towers Watson. The *2011 Towers Watson Health Care Trend Survey* found that the annual cost of medical and pharmacy coverage would increase to \$11,204 per employee for active coverage in 2012 (up 5.9 percent). Sixty six percent of employers will increase employees' share-of-premium contributions for single-only coverage for 2012, and 73 percent will increase them for dependent coverage.

Employers continue to consolidate plan choices and are adopting account-based plans at a rapid rate, with 57 percent of large employers expecting to offer this option. This means employees will need to become more familiar with the advantages and certain limitations of high-deductible plans and health savings accounts. Employees will also be required to pay more for brand-name drugs, and will have access to specialty drugs only with prior authorization and participation in other therapies.

Incentives to participate in wellness programs, or awards to complete a personal health assessment or be screened for high blood pressure, cholesterol, blood sugar and other items continue to be popular, but employees will need to do more to get the same level of incentive awards. □

Expert provides HR with tips for “going green” at work

“Every thing in every organization comes down to Human Resources,” stated Valerie Grubb in her presentation at the 2011 Annual SHRM Conference & Exposition. “If your organization is talking about ‘going green,’ then you have to get involved. HR touches every department more so than any other person in the organization.”

Develop a sustainability strategy

The first thing HR must do to successfully begin the greening process is to develop a sustainability strategy. Going green in the office isn’t as easy as just setting out a few recycling containers. To ensure the success of your efforts, Grubb says to follow these nine steps.

STEP 1: Get management buy in, Part I.

- Present the Business Case on why going green is important.
- Present industry-specific successes, including what your competitors are doing.
- Gather research from Internet and industry associations.
- Provide a clear plan on how you’ll attack identifying green initiatives that will work for your company (Who, What, When, How).

STEP 2: Develop a task force.

- Identify a Task Force “Champion” if possible.
- Create a Team of like-minded people.
- Agree to the goals and timeframe (get everyone’s commitment).
- Assign responsibilities and hold members accountable.
- Schedule regular meetings.
- Set update meetings with upper management.

STEP 3: Identify green opportunities. This is done in 3 stages (Each of the stages are discussed in greater detail below):

- Stage 1: Low hanging fruit. This can include robust recycling, recycle toner

and ink cartridges, implement paper reduction policy, buy recycled products, and e-cycling of equipment.

- Stage 2: Long lead items. This can include reusable items in kitchen, install Bike Racks, showers, energy saving ideas, adding plants to your office, roll-out Employee Volunteer Program, and review of the Travel Policy.
- Stage 3: Product lifecycle. This can include carbon offsetting, changes to your manufacturing & supply chain processes, and identifying head of Green Initiatives.

STEP 4: Complete a cost analysis.

- Focus on cost effective outcomes with an emphasis on your company’s Bottom Line.
- Determine the Return on Investment, including the contribution of goodwill to your company’s reputation.
- Align with your organization’s strategic goals.
- Avoid greenwashing at all costs.
- Provide financial analysis for societal and environmental benefits.

STEP 5: Get management buy in, Part II. At this stage, you’ll be asking for approval and money to move forward.

- Present 3 Stages of Opportunities and their associated timeline.
- Need to demonstrate the business case in dollars and cents for going green.
- Demonstrate how this fits into your company’s overall strategy and revise your mission/value statements to reflect your green focus.
- Present communications plan on how this will be rolled out to employees, customers and suppliers.

STEP 6: Communicate your message.

- Develop your Message.
- Incorporate message into job descriptions.
- Add message to website.
- Communicate to Employees.
- Communicate to Vendors, Suppliers and Customers.

STEP 7: Sell the initiatives to your employees.

- Anticipate employee questions such as Why are we doing this?, How long will it take to roll out?, How will we know when we succeed?, and Does this impact my job requirements?
- Demonstrate what’s in it for them.
- Make it fun.

STEP 8: Sell the initiatives to your customers.

- Be authentic and transparent.
- Avoid communicating greener than you are.
- Anticipate below the surface questions from customers: Has quality been compromised? Where did this product come from? How was it made? How is it packaged? How was it shipped? How will it be disposed of?
- Clearly communicate the message.

STEP 9: Selling the initiatives to vendors.

- Implement a “sustainability code.”
- Clearly define your green expectations across the board.
- Conduct inspections or third party audits.

20 tips for greening up your workplace

So, what are some greening strategies that you can present to management and develop a sound initiatives for your organization? Grubb provided attendees with the following list of 20 low or no-cost tips for turning your workplace into a green machine.

1. Robust recycling. Keep in mind that although 61 million tons of materials were recycled in the U.S. in 2010, confusion is common and incorrect recycling is worse than no recycling at all. Place clearly labeled bins around the office for plastics, glass, and bottles. Contact your local recycling center for tips on recycling in the workplace.

2. Clean up your kitchen. Get rid of all disposable items in the break room, including paper cups, plastic utensils, paper

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SUSTAINABILITY

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plates, and paper towels. Instead, stock each office with mugs and metal utensils.

3. Paper pandemic. Paper makes up 31 percent of all waste generated in the U.S. every year. It is estimated each employee utilizes 27 pounds of office paper each year. The best option to reduce paper usage is to reduce printing. You can immediately cut your paper consumption in half by printing on both sides. Here are additional tips for reducing your organization's paper consumption:

- Investigate paperless billing;
- Centralize printing vs. individual printers;
- Buy energy efficient bulk printers that offer scanning/digital capabilities as well;
- Buy recycled paper — this uses 60 percent less energy than new paper; and
- Look for high PWC (percentage of waste content) and chlorine-free paper.

4. Battery recycling. Place bins for battery recycling in common areas. People are willing to make the effort, especially if you make it so easy for them. In 2010, batteries were recycled at a record-breaking pace of 6.7 million pounds, a 10.1 percent increase from the 2009 collection rate. Battery pickup is available free of charge by Call2Recycle (www.call2recycle.org), North America's only free battery and cell phone collection program.

5. Buy recycled. Your efforts to purchase recycled products will reduce landfill use, reduce the amount of energy utilized as more energy is used to create new products, and conserve unused materials.

6. Toner and ink cartridges. A number of options exist for getting paid to recycle (www.empties4cash.com) or donating to charity (www.recycle4charity.com). In addition, many national retailers, like HP for example, make cartridge recycling effortless. Consider that U.S. businesses could save \$1.5 billion annually and at least 100,000 barrels of oil annually just by recycling toner and ink cartridges.

7. E-Cycling. Did you know that using electronic equipment pollutes our water? When purchasing new electronic equipment, consider purchasing only from take-back retailers and let them do the recycling for you.

Or, find retailers that offer take back, mail in, or trade in programs. With a little bit of effort, you may also find local programs available.

8. Conserve water. You can conserve water in the workplace by installing water filters, having leaks fixed, putting signs in the bathroom requesting awareness of how much water is being used, and renting water coolers.

9. Detox your office. You can detox your office space by using only non-toxic products, using vacuum cleaners with HEPA filters, and following "green" MSDS requirements.

10. Reconsider air travel. It may be possible for your organization to do a little bit more Web conferencing and thus a little less air traveling.

11. Rent hybrids. Renting a hybrid for traveling employees is as easy as renting a standard car and hybrids use as little as 10 percent of the energy a traditional car uses. Hybrid car rental is widely available.

12. Turn off equipment automatically. Purchase office equipment that is energy efficient and for those pieces that offer an energy saver feature, encourage employees to use them. You may also choose to invest in "smart" power strips that turn off equipment automatically when not in use.

13. Reduce lighting needs. Post "Turn off the lights!" stickers in offices, install motion-sensor lights, do away with dark paint, and reposition office seating to take full advantage of natural light. These are a few simple ways to reduce your lighting needs. Other options include full or partially retrofitting your office with energy efficient fixtures and using energy efficient light bulbs.

14. Blow off the space heater. Space heaters require HIGH energy usage to run. In addition, they can be a fire hazard and put employees at risk of carbon monoxide poisoning. Rather than allowing these in your organization, poll employees to find out what temperature would be most comfortable and work with the facilities department to fix temperature issues.

15. Green your office, literally! The EPA estimates that indoor air pollution is one of the top 5 environmental public health risks today. Did you know that plants are nature's air filter? Plants are also associated

with reduced fatigue, stress, sickness and colds especially for employees not exposed to direct sunlight through a window.

16. Green Human Resources. A few HR options that support "green" initiatives include:

- Socially responsible funding for 401k investments;
- Provide green transportation subsidies;
- Preferred parking for hybrids or install charging stations;
- Review implementation of a "work from home" policy; and
- Create/lead Employee Task Force on ways to "green" your office.

17. Employee volunteerism. Allowing employees paid time off to volunteer can be for projects either sponsored by the company or individually chosen. This teaches and encourages social responsibility with very little effort from the employer.

18. Office space. Your power is greatest before signing on the dotted line, so when renting, leasing, or purchasing a space for your organization, ask for things like recycling, timers for lights, and energy-efficient light bulbs. In addition, choose an office space close to public transportation and consider allowing employees to work from home. You can also install bike racks and showers, and look for LEED certified buildings.


19. Carbon offsetting. The theory here is "Reduce what you can, offset the rest." Consider offsetting non eco-friendly, but necessary business expenses. One resource for this is www.carbonfund.org.

20. Donate green. Consider donating a portion of your profits to support local community efforts or green organizations. Or, you can offer to match employee green donations of the same kind. You will benefit from communicating your donations to employees and customers. □

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Source: "The New HR Imperative: Going Green in the Workplace," presented at the 2011 Society for Human Resource Management Annual Conference & Exposition in Las Vegas, Nevada, on June 27, 2011, by Valerie M. Grubb, Val Grubb & Associates, Ltd. (www.valgrubbandassociates.com), 171 East 81st Street, Suite 3C, New York, NY 10028; telephone: 323-229-2263.

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