

the SPECTRUM

A Publication of PRISM Human Resource Consulting Services, LLC



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Welcome!

Mary Beth Hartleb, J.D., SPHR



Tis the Season for Savings! We would like to wish everyone Happy Holidays...a little earlier than usual.

Spooktacular Recruiting Special during the month of October for new clients. Post a job with us and we will create your ad, post it on our recruiting site, conduct resume screenings and interviews, schedule second interviews, conduct reference and background checks and negotiate the offer...all for only 10% of the first years base, annual salary. A savings of 20% or more over staffing agencies and headhunters.

PRISM is now offering a full suite of payroll services nationwide. Clients usually realize savings of up to 40% from their existing payroll provider with improved service levels.

Got your attention? Contact us and we'll tell you how we can partner with you for all your recruiting and payroll needs and not break the bank doing it.

On Friday, October 12, 2007, the Southern Nevada Human Resources Association held the sixth annual "Best Places To Work" awards luncheon. We wish to congratulate our clients and partners who were nominated and those who won a well-deserved award. Alan Waxler Group, Black Gaming LLC., CHSI Inc, Custom Benefit Consultants, GES Exposition Services Inc., Hooters Casino Hotel, University Medical Center (UMC) and WRG Design, Inc.

Mary Beth Hartleb

Your Financial Health

Beth V. Walker, CRPC, CCPS, GEPC

Second Careers



Most professionals and business owners make enough money; they just spend too much, too soon, and don't give their money a chance to work for them. More than anything else, this fact will lead to baby boomers taking on "second careers"... that job that is fun or interesting or only takes a few days a week but is nonetheless required to generate predictable income and take the pressure off the investment accounts that just aren't as robust as they need to be.

How sizeable should those investment accounts be? Ask a dozen financial professionals and you'll get thirteen opinions. But when all the numbers have been crunched and factors like inflation, taxes, medical

expenses, social security, and the like have been taken into consideration, the prevailing wisdom will suggest that a prudent investor will only tap his or her investment account to the tune of 4% a year if they want to feel confident they will never outlive their assets.

In plain English, that means you can take \$40,000 in annual income for every \$1 million in investment assets. Conservative – yes. But again, we're talking about increasing the probability that you won't run out of money before you run out of life.

Most people are shocked by the reality of those numbers.

It's fairly typical for someone to ask, "If the S&P 500 Index has returned over 12% since those figures have been tracked, what's wrong with taking 8% and using that 4% buffer as a hedge against inflation?"

That strategy worked beautifully if you applied it in 1983 because the stock market experienced a 23% increase in the first two years of your retirement period, giving you a good base of growth upon which to build and make withdrawals. If, however, you had the misfortune of retiring in 1973, the stock market experienced a 43% decline in the first two years of your retirement, you had to dip deeply into your principal, and 12 years later you were broke.

So there in lies the challenge – which type of market will you be retiring into? If you guess right, you'll enjoy your second childhood. If you guess wrong, you better make sure your kids are prepared to take you in.

Fortunately there is some technology that can help us understand the trade-offs and probable outcomes associated with our retirement income. Monte Carlo simulation harnesses the power of technology to slice and dice hundreds of different time frames and match them with the corresponding investment results actually experienced by investors. The benefit is that it allows you to understand whether you stand an above average, average, or poor chance of "making it to the finish line" with your current investment amounts and asset allocation strategy. You can quickly get a handle on whether or not you should be seriously considering a second career.

Financially speaking, a second career is a terrific idea because it allows talented people to leverage their time and talents in an enjoyable manner while letting their investments continue to work toward the concept of "enough". Get together with your investment advisor and run a few Monte Carlo simulations... it's never too early to figure out how much it will take to support your lifestyle in retirement. A second career may start to seem downright appealing!

Licenses and Designations: Securities: Series 7, 63, 65

Insurance: Life, Health, Variable

Chartered Retirement Planning Counselor (CRPC), Certified College Planning Specialist (CCPS), Graduate Estate Planning Consultant (GEPC)



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Employer Benefit Update

By: Sandra Liechty

Health Care Consumerism out of Touch



Is the health care consumerism movement out of touch with the consumers? Some policy analysts believe Americans primarily want affordable health care, not tools and information to weigh health care decisions. Speaking at the National Consumer-Driven Healthcare Summit on 10/3/07, Sara Collins, assistant vice president at the Commonwealth Fund, told attendees that the No. 1 health care concern for consumers is cost. Patients are especially concerned about whether they are protected from catastrophic events and whether they can get preventive care. She cited research showing that 51% of high-deductible health plan users and 44% of consumer-driven health plan users spent

5% or more of their income on health care in 2006, compared to just 22% of those in traditional health plans. What's more, 38% of CDHP users and 33% of HDHP users reported delaying or avoiding care, compared with just 19% of those in traditional health plans. "The sluggish growth in enrollment is likely related to the low ratings that people continue to give to CDHPs," Collins added.

Jim Guest, president of Consumers Union, the consumer advocacy group and publisher of Consumer Reports, asserted, "The health insurance system is broken, and the approaches under the name of consumer-driven health are not making a difference. [Consumers] certainly did not drive the creation of health savings accounts because those who enroll are more likely to spend a larger part of their income on health care." Guest believes health care consumerism should place the consumer at the heart of the health care system and address the needs of a broad spectrum of patients. "HSAs may be great for the healthy and wealthy, but they are not good for the average citizen or folks in the low-income brackets," he added. Collins outlined recommendations to make CDHPs more consumer-friendly, including:

- Permit employers to lower deductibles for low-wage workers with HSAs.
- Set an income ceiling on eligibility for HSAs to reduce the tax subsidy for high-income individuals.
- Exempt primary care and preventative services from the deductible.
- Exempt prescription drugs essential for management of chronic conditions from the deductible.
- Place limits on family premiums and out-of-pocket costs as percent of income; for example, 5% of income for low-income families.

Sandra Liechty is Vice President of Group Services, CBC Inc. She has 25 years experience in human resource administration and group insurance with an extensive background in fully insured and self-funded plans. She currently serves as President for the Southern Nevada Human Resource Association (SNHRA).



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Legal Eagle Corner

By: Mary Beth Hartleb, J.D., SPHR



No Expectation of Privacy

There seems to be a buzz lately about what an employee can reasonable expect in the form of privacy at the workplace, and confusion regarding employee vs. employer rights. The quick, no legal-ease answer is there is no expectation of privacy at the workplace. But, yes there is a "but" in there... as an employer you must have certain policies and procedures in place to ensure that the "no privacy expectation" is clearly communicated to all your employees... and you must enforce those policies consistently and fairly as necessary.

Here's a employer checklist of items you should have in place;

- Maintain keys to offices and passwords to computers
- Disseminate written policies concerning your right to conduct searches of company computers, voice mail, phone records, files both electronic and paper, and the proper use of the Internet.
- Make sure your sexual harassment policies prohibit the use of internet for pornography, other inappropriate sites and prohibit the download of any non-company issued software, games or screen savers.
- Policies should also include reference to company issued cell phones, Blackberrys, email accounts, instant messengers, and forbid the use of camera phones in the workplace.

- Communicate to employees that they should not use their personal phone or cell phone for company business.
- Home based workers should be issued a company phone, cell phone, computer and email account.
- Supply any lock used on company property and forbid employees from using their own locks.
- Conduct searches in a non-discriminatory manner.
- In some situations, it may be better to have a same gender person as the one investigated conduct the search.
- Document, document, document all privacy related issues.

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Start the New Year Off Right

By Cliff Ennico

Usually at this time of year I make up a list of “Ten New Year’s Resolutions for the Small Business Owner”, but since New Year’s Resolutions seldom make it beyond January, I thought I should take a tougher stand this year.

Here are 10 “commandments” to help you make this a better year for your business than last year was. Don’t hesitate – DO THEM NOW! Then you can enjoy the rest of the year without guilt.

- 10.** As soon as you finish reading this column, get in your car, and go directly to your local IRS office (it’s usually in the same government building as your county courthouse). Pick up as many copies of IRS Form 1099 as you can carry, and make sure you send one to EVERY HUMAN BEING (except employees and partners, who get different forms) you paid more than \$600 last year. The deadline for sending these is January 31, but the IRS runs out of forms well before then, and you cannot download them from the Internet. Send copies to the IRS, and your accountant.
- 9.** Review your list of employees, identify the two worst performers or biggest “time vampires”, and fire them. Advertise for their replacements.
- 8.** If you are a retail business and you do not have an eBay Store online, open one now. For information and advice, go to www.storessuccessvideo.com. If you have an eBay Store, go to that Website anyway and find out all the things you (and thousands of others) are doing wrong.
- 7.** If you are a consultant or professional, print out all pages of your Website and update them. Make sure your fee schedule is current (or post your fee schedule if you don’t already do so), add any articles you wrote last year, and post at least five new testimonials from satisfied clients with their photos and e-mail addresses. Mark up the pages and give them to your Webmaster.
- 6.** Take your accountant or bookkeeper to lunch, ply him with alcohol, and find out all the stupid things you did last year that need to be fixed now. Don’t wait until February because then he’ll be too busy doing people’s tax returns.
- 5.** If you pay estimated taxes, open an interest-bearing savings account, deduct 30% of your gross sales from your checking account each week, and deposit it into your savings account. Use the savings account to pay your estimated taxes when they come due.
- 4.** Go to your office computer, look at all the software programs you have, and delete those that are personal (like video games) or don’t relate to your business. If you have Instant Messenger on your computer, delete it. You don’t need the distractions.
- 3.** If you have a home office, call a local contractor and have him do a professional measurement of your home office. Make sure he sends you a letter stating the exact square footage of your home office. Don’t wait until spring because then he’ll be too busy. That letter will save your life if the IRS ever audits you.

2. If you have a corporation or limited liability company (LLC), call your attorney and offer to pay her an “annual retainer” to do all your corporate and LLC paperwork this year and act as the “registered agent” for your business. This will save your life if you are ever sued (see last week’s column), and you will never find the time to do the paperwork yourself.

1. It’s all about entertainment these days. People “just want to have fun” no matter what they’re doing. Find three ways you can inject a little fun into your business so your customers look at you as an “experience” rather than just a place to buy stuff.

Happy New Year! That’s an order.

Cliff Ennico is a syndicated columnist, author and host of the PBS television series 'Money Hunt'. His latest book is 'Small Business Survival Guide' (Adams Media, \$12.95). This column is no substitute for legal, tax or financial advice, which can be furnished only by a qualified professional licensed in your state. To find out more about Cliff Ennico and other Creators Syndicate writers and cartoonists, visit our Web page at creators.com. COPYRIGHT 2006 CLIFFORD R. ENNICO. DISTRIBUTED BY CREATORS SYNDICATE, INC.

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Community Calendar

Henderson Chamber of Commerce
Monthly luncheon, third Thursday;
www.hendersonchamber.com

Las Vegas Chamber of Commerce
Various meetings;
www.lvchamber.com/calendar

National Association of Women Business Owners/Southern Nevada Chapter
Monthly lunch meetings, fourth Tuesday of the month, The Orleans Hotel & Casino
www.nawbolasvegas.org

Nevada Development Authority
Quarterly Breakfast meetings, Four Seasons; _
www.nevadadevelopment.org

North Las Vegas Chamber of Commerce
Breakfast meetings, 1st Wednesdays, Santa Fe Station
Luncheons, 4th Thursdays, Texas Station
www.northlasvegaschamber.com

Southern Nevada Human Resource Association
Monthly breakfast meetings, second Tuesday of the month, Palace Station.
www.snhra.org

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Helpful Links

dol.gov

irs.gov
eoc.gov
sbtv.com
shrm.org
smallbusiness.com
lcvva.com

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