

KRD Client News

SPRING & SUMMER | 2020

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KRD INsights:

Knowledge, Experience & Resources...

KRD Adds a Valued-Added Offering to Better Serve Our Clients – Outsourced Human Resource Services

It's often said that necessity is the mother of invention. One game-changing innovation began with need to streamline processes and maximize resources, which resulted in the outsourcing of certain business-related operations that are not directly related to the generation of income.

By no means a new concept, outsourcing of legal, advertising, printing, and computer services, has allowed companies of all sizes to benefit from professional expertise without substantially increasing their overhead. KRD has been providing Outsourced Accounting Services to our clients for a number of years. And now we are pleased to announce a new offering – Outsourced Human Resource Services.

We caught up with our HR professional, Christi Polep who is heading up the services, to discuss the ins and outs of outsourcing HR functions and how it can be beneficial to you and your company.

Q: Can you tell us a little about yourself and your career progression?

CP: My career in human resources began while attending Roosevelt University and employed in the HR department at Marshall Field's, the iconic Chicago department store. I've had the privilege of working a variety of disciplines including government, manufacturing and not-for-profit. This breadth of experience has been extremely beneficial for my role here at KRD and serving our clients.

Q: What does a typical day at KRD entail?

CP: Typical is not really a word I would readily use. Every day is different with unique challenges and opportunities. Like most of my KRD colleagues, it requires wearing many hats and the ability to turn on a dime.

Q: How did the idea to offer outsourced HR services come about?

CP: The concept really came about quite organically. HR questions from existing clients started popping up more frequently and KRD, as a true partner in our clients' success, was happy to offer guidance wherever and whenever needed. As that need continued to grow, the time was right to provide something more robust than just ad hoc HR advice. I believe it's a natural extension of our holistic approach to the consulting business.

Q: What are some key benefits of an outsourced HR department?

CP: There are many, but essentially it eliminates the administrative burden and allows companies to focus on their core business. Equally important, outsourcing HR functions, especially when there is not a department in place, can help mitigate risk and maintain compliance in a dynamic arena where complex employment and wage laws are updated or added yearly. This all results in increased efficiencies and a positive impact on the bottom line. On a more personal note, I find it very rewarding getting to know our clients and their businesses in more depth and offering my expertise to help them succeed.



Christi Polep, KRD's Outsourced Human Resource Services professional is available to help with your HR needs.

At KRD we can help with all your human resource service needs. Whether it's help in recruiting talent, managing payroll, developing a compensation/benefit plan, employee guidelines and relations, or policies and procedures, we offer flexible solutions to suit your HR needs.

For more information, please contact Christi at HR@krdcpas.com.



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Families First Act – Changes Affecting Small Business Employers

Disclaimer: This article will provide a broad overview of this act. Be sure to consult with legal experts to fully understand how this legislation affects your business.

The Families First Coronavirus Response Act was passed on March 18, 2020 and contains several provisions that affect private businesses with fewer than 500 employees and all public employers. It went into effect April 2, 2020.

The Major Sections Affecting Employers Include:

1. *Emergency Paid Sick Time Leave*
2. *Payroll Tax Credits*
3. *Expansion of the FMLA*

Other important topics for employers right now include the OSHA requirement to maintain a safe workplace and information regarding layoffs and furloughed employees.

Emergency Paid Sick Time Leave

If an employee cannot work or telework because of the following reasons, they are eligible for emergency paid sick leave in the amount of their regular pay, up to \$511 per day and \$5,110 for the benefit period.

- *The employee is subject to quarantine or isolation.*
- *The employee has been advised by a health care provider to self-quarantine.*
- *The employee is experiencing symptoms of coronavirus and seeking a medical diagnosis.*

If an employee is unable to work or telework due to a need for leave because the employee is doing the following, they are eligible for two-thirds of their regular pay, up to \$200 per day and \$2,000 during the benefit period.

- *Caring for an individual who is quarantined or isolated or has been advised by a health care provider*
- *Caring for their child if school or child care is unavailable*
- *Is experiencing “any other substantially similar condition specified by” the Secretary of Health and Human Services in consultation with the Secretaries of the Treasury and Labor.*

The amount of sick time granted is the number of hours the employee normally works in a 2-week period, up to 80 hours.

Exemptions: The Secretary of Labor can exempt small businesses with fewer than 50 employees if compliance jeopardizes going concern. They can also exclude certain health care providers or emergency responders.

This section is effective no later than April 2, 2020 and expires December 31, 2020.

Employers will need to track emergency paid sick leave separately in their time tracking or payroll system as a special payroll item so that it can be calculated and reported for tax purposes.

Payroll Tax Credits

Employers will receive payroll tax credits for qualified emergency paid sick leave that they pay to employees. They will effectively be 100% reimbursed for what they pay out.

The tax credits include health insurance payments.

Expansion of the FMLA

The Family Medical Leave Act has been expanded to include another condition for employees who have worked for the employer for at least 30 days and who are unable to work because they need to care for their child during a public health emergency because their school or day care is closed.

The benefit includes two-thirds of the employee’s regular pay, up to \$200 per day and \$10,000 over the benefit period.

The duration of leave is 12 weeks, and the first 10 days taken may be unpaid, but the employee can use other paid leave for those days. Health care providers and emergency responders may be excluded.

After the leave, there are protections for job restoration with some exceptions.

Safe Workplace

OSHA requires employers to maintain a safe workplace for all employees. That means keeping the workplace clean and free of employees who might be contagious. For a list of approved cleaners that kill COVID-19 visit:

www.epa.gov/pesticide-registration/list-n-disinfectants-use-against-sars-cov-2

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(Family First Act continued from page 2)

Employers have the right to send employees home that have a temperature, display symptoms, or otherwise endanger other employees. If sent home in the middle of the workday, they must be paid for their normal day.

The CDC guidelines have been updated for additional requirements such as social distancing and other strategies. To see the complete CDC guidelines visit:

www.cdc.gov/coronavirus/2019-ncov/community/guidance-business-response.html

Layoffs and Furloughs

An employer can lay off or furlough workers.

There are three kinds:

1. *Permanent layoff is one where there is no rehire date. The employer must pay accrued vacation and sick leave, if any.*
2. *Temporary layoff is one where there is an intention of re-hiring within six months. The employer may be required to pay accrued vacation and sick leave.*
3. *Furlough is where hours are reduced or workers are asked to stop working for a few weeks.*

In all three situations, employees should be directed to apply for state unemployment insurance.

If a small business finds that it can't make payroll, the best thing to do is to contact your accountant and/or attorney to understand your options.

Guidance for Employers

If you need help understanding what you need to do in your small business to meet these new legal requirements, please contact KRD today.

KRD in Good Company

KRD was recognized in **Forbes** magazine's annual ranking of America's top recommended tax firms for 2020. Forbes worked with market research company Statista to compile the rankings. Statista considered 1,800 survey responses from CPAs, enrolled agents, tax lawyers, accountants and CFOs

Congratulations to our fellow recipients!



KRD Responds to the Call

KRD team members, Genie Kutchins and Janet Lapiak, have been busy sewing face masks for healthcare workers during the Covid-19 pandemic. People sewed masks for Genie Kutchins' 70th birthday. This effort was organized by her daughter, Emily Kutchins-Adler. Janet has been sewing masks for local hospitals that request them. In addition, other KRD team members have donated fabric to Genie and Janet's sewing efforts. We're proud of our KRD team members doing their part by giving back to the community and thankful for all the healthcare workers during this time of crisis.



International Corner

KRD's membership in GGI allows us to keep our clients abreast of international tax and audit considerations and allows us to provide contacts for international law issues if needed. Our firm publishes articles in GGI newsletters several times a year which can be found on our blog. Tax partner, Rob Jacobson, recently published an international tax article. To read Rob's article please visit the KRD blog at blog.krdcpas.com.

While you're there be sure to subscribe to receive regular article postings and updates.


INDEPENDENT MEMBER



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How to Set Goals and Make Them Happen

Work stress is common, and in fact, a little bit of it isn't such a bad thing. A little bit of stress can help you stay focused. Do you know what you want to accomplish by the end of the day? Or in 5 years? If you want to succeed, you need to set goals. In order to accomplish your goals, you need to know how to set them.

Knowing how to set them will provide you with direction and formulate goals that you can accomplish. Here are a few ways to set goals, and actually make them happen.

1 Put Your Goals in Writing

When you physically write a goal out, it makes it real. It's no longer just a thought, it's something you're intentionally trying to accomplish.

2 Make an Action Plan

Write each individual step it will take to achieve your goal and cross the steps out as you complete them. This will help motivate you, especially if you have a big goal. It will also help keep you on track.

3 Set Goals That Motivate You

If you have little to no interest in the outcome, it's unlikely you'll put in the work to make your goal happen. Find out what the high priorities are in your life, and set a goal that relates to them.



Have You Checked Out Our New Blog?

KRD is excited to bring you our newly redesigned blog. We believe our newly redesigned blog will help our clients and colleagues stay informed on the latest tax, accounting and financial planning news. Visit krdcpas.com and click on Blog/Newsletter link in the main navigation bar.

We welcome the opportunity to discuss how KRD can help with your tax and financial planning, please call us at

We Can Help
847.240.1040

