

Membership Matters

Quarterly News from The 501 Alliance

September 2007

Identity Theft Prevention

As you're aware, identity theft is a major concern for employers and employees alike and social security numbers are an identity thief's favorite target. Testifying recently before Congress, Dr. Ana Anton, associate professor of North Carolina State University and an advisor to the Department of Homeland Security explained that social security numbers have become "the primary tool for stealing an individual's identity."

With this in mind, I wanted to inform you of an important change that was made to the reports that you receive from us that started in September. We have decided to mask a portion of the claimant's social security number that is displayed. The reports will now only show you the last four digits of the social security number and the claimant's name.

This change was made to better protect the identity of claimants in the rare event that the reports sent to members are lost or stolen in the mail.

If you have a question about a claimant on the reports that you receive, you will need to have the complete social security number of the individual available when you call our office.

If you have any questions about this new process, please contact Mike Pennanen at 800-968-9675, ext. 209.

Members Saved More Than \$4.3 Million in 2006

Members and applicants often ask, "How much lower are the unemployment rates of The 501 Alliance versus the state of Michigan's?" In 2006, our average rate was 3.10%, while the average rate through the state was 4.95% or 60% higher. Over the last ten years, the average rates from the state have ranged from 34% to 144% higher than the rates of our members.

How do these figures affect our members financially? In 2006, the taxable payroll of members was \$237 million. When you multiply that amount by the average tax rates of The 501 Alliance and the state, you'll find that our members saved more than \$4.3 million. That doesn't even include the charge error credits we received back from the state that totaled almost \$900,000.

This money that you save helps to reinforce the decision you made to be a member in our group. So the next time someone asks you what your organization is doing to help cut costs...tell them about The 501 Alliance!

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Contribution Reports Available Through Our Website

Can't find your quarterly contribution report that we recently mailed to you? Did you make an error on a previously submitted report? Well, you can now get the report you need without contacting us. As long as you know your contribution rate, you can download and print a quarterly contribution report or an amended report at our website. Simply go to www.501alliance.org, click on the words "Contribution Reports" at the top of the page and print the report you need. Of course, you can still always call us if you would like a copy of either report e-mailed or faxed to you.

Did you know that we can also help you calculate what you owe for a quarter and tell you what wages are considered taxable for unemployment purposes? Please contact Mike Pennanen at 800-968-9675, ext. 209, if you would like some assistance.

Terms to Avoid When Terminating Employees

Occasionally, despite all efforts to properly hire, train and counsel employees, separations will occur. The terminology used in separating and reporting employee separations is, perhaps, the single most critical element involved in your unemployment cost control program. Regardless of the actual employment record, if the proper language is not used when terminating an employee, you decrease your chances of receiving favorable decisions and are faced with the possibility of a lengthy, unemployment claims process. Whenever possible, you should avoid general statements such as:

- Inefficient
- Not a good fit
- Used poor judgment
- Unsatisfactory performance
- Inability to perform job duties

Only use specific remarks that are supported by well-documented personnel records. Of course, if poor performance or inability is the reason that you need to terminate an employee, you should use that language. It's important to remember that the inability to perform given job duties will not ordinarily disqualify a terminated employee from receiving unemployment benefits.

Do you have a topic or suggestion for the next newsletter? Please e-mail your ideas to mpennanen@talx.com