

No-Match Letters

What is it? No-Match letters are issued each month for employees whose information does not match records kept by the Social Security Administration (SSA). If we receive a no-match letter for one of your employees we will let you know immediately.

How do I fix it? There are several steps employers can take to resolve no-match situations. If the first step does not correct the problem, continue down the list. Also, remember to contact Nextep to ensure our payroll records match.

- **Check your records.** Often clerical errors or minor misspellings can be enough to trigger a no-match letter. (Must be done within 2 weeks)
- **Talk to the Employee.** Check with the employee to be sure that the records are correct. (Must be done within 2 weeks)
- **Contact the SSA.** If none of the above settles the discrepancy, then ask the employee to contact the appropriate government agency to resolve the no-match issue. (Must be done within 60 days)

If the no-match situation has not been resolved within the time frame allowed then the employer may choose to terminate the employee or face the possibility of sanctions. These sanctions can include hefty fines, freezing and/or seizure of employer's assets, or possible jail time.

(SOURCE: Hall Estill Attorneys at Law, Oct. 2006)

W-2s are just around the corner. Please take this opportunity to remind employees to double check their address, name, social security number, etc. to ensure proper reporting to the IRS and timely delivery of their W-2s.

End of the Year Reminders

With another year drawing to a close this newsletter is dedicated to getting on the right track for 2007. December is open enrollment time for Flexible Spending Accounts. If you are interested in learning more please contact one of our HR Specialists. They will be happy to guide you through the process.

Flexible Spending Account Open Enrollment

What is it? A Flexible Spending Account (FSA) is an exciting and extremely popular employee benefit that allows you to pay for certain benefits with your pre-tax income. As a result, you Federal, State (if applicable), and FICA taxes may go down while saving you money of the course of the year. There are several different benefits under a FSA:

- **Health Care Flexible Spending Account**– This covers eligible out-of-pocket health care expenses (such as medical insurance deductibles, prescription drug co pays, dental co pays, and much more...) with your pre-tax income. Over-the-counter medications (aspirin, allergy medications, antacids, etc.) can also be paid for with pre-tax dollars through FSAs.
- **Dependent Care Flexible Spending Account**– This covers dependent day care expenses. This includes both care for your dependent children up to age 13 and care for older dependents that live in your home.

Why sign up? Flexible Spending Accounts have a distinct advantage over other plans because of the Flex Convenience card. The advantages of the card are:

- Deducts the expense directly from your FSA account
- Eliminates the wait for reimbursement checks and filling out lengthy claim forms.
- Online access to real-time account information allowing your to check your balance at any time.

Open enrollment is here and interested employees should complete an enrollment packet and return to Nextep as soon as possible. All forms must be received by December 15th.

Immigration Issues in the Workplace

This year the **Department of Homeland Security** announced a new get-tough approach toward unauthorized employment. Penalties for non-compliance have increased considerably and in some cases criminal charges have been filed against employers.

A new procedure was put in place called "safe harbor". This states that when an employer learns that the name and social security number of an employee does not match, the employer **MUST** take certain steps within 60 days to resolve the situation. Otherwise, the employer may be sanctioned as having had constructive knowledge of the employee's lack of authorization to work in the United States. In the sidebar you will find a step-by-step guide to show you how to satisfy the "safe harbor" rule and what to do when you receive a "no-match" letter.

(SOURCE: Hall Estill Attorneys at Law, Oct. 2006)

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