

HRA-ECI

April 2022

April
MEETING

Friday, April 8th
12:00 pm—1:00 pm
Lake Land College
Foundation and
Alumni Center
5001 Lake Land Blvd
Mattoon, IL 61938

Diversity & Inclusion Includes Disability

Les Barber, Director of Business Services with Vocational Rehabilitation, and Nathan Painter, Business Service Consultant-MPA with the Department of Human Services Division of Rehabilitation will be joining us for a presentation on Diversity & Inclusion and specifically focusing on the disability portion of those considerations and point of views.

People with disabilities represent the largest minority group in the world. This presentation will highlight how to access and include this underrepresented talent pool in your DE&I plan. We will share ways to attract, hire, and promote candidates with disabilities as well as opportunities for funding and tax credits to assist your business with growth and development.

Revisiting the Overtime Rule

There has been speculation on what the new proposed overtime rule salary threshold will be. SHRM is scheduled for a meeting with the DOL about the pending update along with five other stakeholders in the situation. These include unions and worker advocates as well as industry groups. While the salary threshold is the biggest component up for discussion, changes to the duties tests will also be considered.

In 2016, the Obama administration pushed a \$47,467 salary threshold that was stuck down by a Texas federal court. In Trump administration's 2020 overtime rule raised the threshold to \$35,568/year up from \$23,660.

Some union groups have called for the salary threshold to be raised to \$73,551 with it being \$82,745 by 2026. That seems high to many as Tammy McCutchen, former Wage and Hour Division Administrator, survey attendees at a recent conference about the dollar amount and most agreed to an adjustment up to \$50,000 but very few supported anything over \$50,000. McCutchen predicted that if the salary threshold increases to \$50,000 or above, there will be litigation all over again by employer interest groups.

An update was announced to happen in April, but McCutchen expects it to be May based on the dates of the meetings between the DOL and stakeholders. There will be more to unfold, so stay in touch with the topic to make sure you are in compliance.

~Source: SHRM *Anticipated Overtime Rule* Reviewed by Allen Smith, J.D.

SECURE Act 2.0 Passes in the House

The House overwhelmingly passed what is being dubbed as "SECURE Act 2.0" on March 29th by a vote of 414 to 5. The Act would require that new defined contributions plans established after the legislation's enactment date automatically enroll newly hired employees, when eligible, at a pretax contribution level of 3% to increase annually by 1% up to at least 10% but not more than 15%. Investment elections would be defaulted into a qualified default investment alternative (QDIA). Current plans would be grandfathered in. There is also an exception for small businesses, those in business for less than 3 years, church plans and governmental plans.

There is also a component that would increase catch-up contributions in 2024 for certain ages and make catch-up contributions Roth contributions in 2023. Catch up contribution for those 50+ would stay as is but for anyone 62 through 64, catch up contributions would be \$10,000 starting in 2024. A few other changes would be to allow Roth matching contribution, delay mandatory distributions, and several others.

The Senate is considering its own version of SECURE Act 2.0, the Retirement Security and Savings Act. If the Senate passes a SECURE ACT 2.0 measure, as is expected, both chambers would likely move forward to reconcile their separate versions.

~Source: SHRM *House Passes 'Secure Act 2.0,' Requiring Automatic Enrollment in Retirement Plans* by Stephen Miller, CEBS

Employers Are Enhancing 401(k) Plans to Attract and Keep Talent

Enhancing to defined contribution retirements plans seem to be a popular and attractive way to try to boost employees' retirement security and financial well-being according to new studies. Accordingly to the 2022: The Next Evolution of DC Plans Survey conducted by WTW, companies are considering changes reflecting the following:

- Redirecting Contribution—Thirty-eight percent of respondents expect to adopt an innovate contribution strategy, such as allowing participants to direct their contributions to reduce student loan debt or to add to an emergency savings fund or a health savings account, and still receive a 401(k) match on these amounts.
- Upping default contributions—Twenty-eight percent expect to enhance their plans' automatic deferral features, such as increasing the automatic deferral amount.
- Expanding compensation options for contributions.—Twenty-three percent are considering changes to plan contribution features, such as allowing employees to contribute to the plan from bonus payments in addition to salary and wages.

Companies participating in the survey expect to have retention issues over the next two years. Among those companies, thirty-five percent expect to differentiate their DC plan in some way. This reflects the need for talent and retention as well as employers' interest in helping employees address both their short- and long-term financial goals being at an all time high.

Source: SHRM *Employers Are Enhancing 401(k) Plans to Attract and Keep Talent* by Stephen Miller, CEBS

April is Sexual Assault Awareness Month

Recently news outlets have been sharing that it is Sexual Assault Awareness Month in April. This is directed to support and be a voice for victims of sexual abuse and violence and to increase awareness and educate on how to prevent it.

We as employers can help by educating our employees on our resources available to help such as Employee Assistance Programs (EAP) and the Victim's Economic Security and Safety Act (VESSA) protections and leave options.

The National Sexual Assault Hotline is 1-800-656-4673.



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APRIL 2022

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See the separate attachment regarding grant information regarding the
2022 Winter Certification #2 Professional Grant and 2022 Inclusion
Conference Grant.

**Happy
Easter**