



# San Diego Employers Association

SDEA Newsletter | March 2014

## Strategic Leadership Series: Dr. Peter Farrell, Founder of ResMed Thursday, March 27, 2014

**Dr. Peter Farrell, founder and Executive Chairman of ResMed**, is a veteran healthcare R & D executive and entrepreneur. Dr. Farrell's background and education in engineering and science laid the groundwork for the founding of ResMed in 1989, a San Diego-based medical device company which has evolved from its humble 6 person staff to 4,500 employees globally today. **With 14% market share**, ResMed is a leading developer, manufacturer and marketer of products for the screening, **treatment and long-term management of sleep-disordered breathing including sleep apnea** and other respiratory disorders.

**ResMed's revenue exceeded \$1.5 billion in 2013**, with revenue expected to more than double in the next decade.

In this Strategic Leadership Series, Dr. Farrell will reveal his **"Five Elements of Leadership,"** as well as an **investment template ResMed developed which continues to serve as the foundation of the company's growth and success.** Dr. Farrell will discuss why selecting the right people lays the foundation for long-term success, why he considers meetings a waste of time and how to make them more efficient and productive, and how to apply to 4/2 rule to managerial pronouncements - everything takes four times as long as you thought it would and costs twice as much money.

Farrell will also discuss his business strategy approach, which includes asking practical but crucial questions such as, **"How big is the market for this?"** and **"How to we access the market?"** to more long-ranging questions such as, **"Is it going to happen in our lifetime?"** Attendees will learn first-hand Dr. Farrell's hard-won insights into leadership and management, and gain an understanding of how Dr. Farrell successfully grew his company from a small local start-up in San Diego to one of the leading medical device companies in the world.



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**Thursday, March 27, 2014  
11:15 a.m. - 1 p.m.**

**Admiral Baker Clubhouse  
2400 Admiral Baker Road Bldg. 3604  
San Diego, CA 92120**

**Registration: SDEA Members: \$49  
Non-Members: \$59**

**Includes Lunch and Networking.  
1 Hour Strategic HRCI units.  
To Register, visit [www.sdea.com](http://www.sdea.com)**



# Obama Administration Announces Further Delays to Part of Employer Mandate

By BB&T Insurance Services, Inc.

The Obama administration announced that it will delay certain aspects of the employer mandate, including:

- **Employers with between 50 and 100 full-time employees will have another year (until 2016) to comply with the employer mandate.**

- Employers with 100 or more full-time employees will only need to offer affordable minimum value coverage to 70% (rather than 95%) of their full-time employees in 2015.

- Transitional relief will be available to non-calendar-year plans (i.e., employers with 100 or more full-time employees will have until the first plan year beginning in 2015 to comply with employer mandate).



## Employee Categories Have Been Clarified

- **Volunteers:** Hours contributed by bona fide volunteers for a government or tax-exempt entity, such as volunteer firefighters and emergency responders, will not cause them to be considered full-time employees.

- **Educational employees:** Teachers and other educational employees will not be treated as part-time for the year simply because their school is closed or operating on a limited schedule during the summer.

- **Seasonal employees:** Those in positions for which the customary annual employment is six months or less generally will not be considered full-time employees.

- **Student work-study programs:** Service performed by students under federal or state-sponsored work-study programs will not be counted in determining whether they are full-time employees.

- **Adjunct faculty:** Based on the comments we received, the final regulations provide as a general rule that, until further guidance is issued, employers of adjunct faculty are to use a method of crediting hours of service for those employees that is reasonable in the circumstances and consistent with the employer responsibility provisions. However, to accommodate the need for predictability and ease of administration and consistent with the request for a "bright line" approach suggested in a number of the comments, the final regulations expressly allow crediting an adjunct faculty member with 2 ¼ hours of service per week for each hour of teaching or classroom time as a reasonable method for this purpose.

# Living Longer - Living Better!

Contributed by Sean Ciemiewicz with Retirement Benefits Group

Creating lifelong financial health also means planning for greater longevity and potential healthcare needs as you get older. Long-term care is an important component of that plan.

You've spent years contributing to your 401(k) plan, have held on to a diversified portfolio, and have followed the principles of sound personal finance. You've also stayed healthy by eating right and exercising. Still, can unexpected expenses or health setbacks surprise you in the future?

The answer, of course, is yes. Ask any financial advisor who manages money for retirees, and he or she will have many stories of the impact of healthcare costs on retirement savings. One advisor tells the story of a client who needed surgery for a heart condition just as his wife was being treated for cancer. Another retiree was surprised to discover that Medicare did not cover his dental work.



**Today's older Americans enjoy longer lives and better physical health than did previous generations,** although for some an increased burden in housing costs and rising obesity may compromise these gains, according to a federal study on aging. Older Americans face financial challenges due to several factors: Longevity. Average life expectancy overall has increased about five years over the past two decades, but people are living longer in chronic pain and with physical and mental disabilities. This means that most people need to plan for added healthcare costs.

**Rising costs.** Climbing insurance premiums, advances in lifesaving medical technologies, and increased life expectancies are all driving increases in annual healthcare costs. In 2011, older consumers averaged out-of-pocket healthcare expenses of \$4,769, an increase of 46% since 2000.

Smaller cost-of-living adjustments to Social Security. Social Security benefits were expected to rise just 1.5% in January 2014, giving millions of retired and disabled workers an average raise of \$19 a month to keep up with the cost of living. This increase, which is tied to the prevailing rate of inflation, is among the smallest since automatic adjustments to benefits were adopted in 1975.

**Gaps in Medicare.** The Employee Benefit Research Institute (EBRI) estimates that a married couple who retired at 65 would need \$317,000 in 2012 to have a 75% chance of covering expenses not paid by Medicare. Although the savings projection is lower than what the couple would have needed in 2011, individuals will need to save far more for health insurance premiums and out-of-pocket expenses. Most private and many public employers are not covering retirees as generously as they have in the past. That said, workers who have access to flexible spending accounts offered by some employers will soon be allowed to carry over up to \$500 from one year to the next — a big help in paying out-of-pocket healthcare costs.

Unexpected financial or physical-health issues shouldn't change the way you plan for retirement expenses. It's important to create a savings plan before retirement, and an income strategy during retirement. Costs such as insurance premiums, medical services, prescriptions and supplies and long-term care all need to be part of your planning each year. **A financial advisor can help you create a realistic long-term care assessment that's tailored to your individual needs.**

# Getting Heard at the Big Table: How to Be Respected and Accepted by Executives and Colleagues

Friday, March 21, 2014  
11:30 a.m. - 1 p.m. at SDEA

Managing human resources is challenging for all kinds of reasons, not the least of which is the often-constant struggle to be seen as an equal among company executives. While everyone understands how important the “people part” of the business is, the reality is that when it comes to critical conversations, it’s often not given as much priority as the money coming in the door and the products/services going out of it. Which means you might not be made a priority either.

Facilitated by **Deirdre Maloney, President of Momentum.**



\$35 Members | \$45 Non-Members | Lunch is included  
Register at [www.sdea.com](http://www.sdea.com).



## Upcoming Training Opportunities

March 4	The Basics of Unemployment Insurance
March 4	Practicing Leadership in the Workplace
March 5	Supervisor and the Law
March 6	Managing Performance
March 7	Resolving Conflict in the Workplace
March 11	Legal and Effective Internal Investigations
March 12	Fundamentals of HR*
March 13	Harassment Prevention Training Webinar

\*HRCI Credits Available.

For complete class descriptions, details, or to register,  
please visit [www.sdea.com](http://www.sdea.com) or call 858.505.0024.

## 401 K Fiduciary Training & Legislative Market Update

Are You a Fiduciary? The laws have changed. What you don't know can hurt you! Retirement Benefits Group, SDEA's premier supplier of retirement plans and employee financial wellness programs, is hosting in-depth Fiduciary Training.

The workshop will be led by Eugene Maloney, Executive VP and Corporate Counsel at Federated Investments and one of the Nation's leading ERISA experts.

Wednesday, March 19, 2014

11:30 a.m. - 1 p.m.

Location:

SDEA

4180 Ruffin Road Suite 295

San Diego, CA 92123



RETIREMENT  
BENEFITS GROUP

**Registration is free and includes networking and lunch! Register at [www.sdea.com](http://www.sdea.com).**

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## Save the Date!

### Strategic Human Resource Practices: Aligning HR to Achieve Business Results - May 2 & 9 from 8 a.m. - 5 p.m.

Participants will create a strategic business plan to partner with key stakeholders in their organization in order to meet organizational business plan objectives. This will include creating effective employee engagement and development plans to align with organizational business plan goals and objectives. This program will provide HR professionals the tools to be an effective business partner within their organization. Facilitated by Michelle Peard, SPHR-CA.

Earn 15 Strategic HRCI Units in 2 days. Register and learn more at [www.sdea.com](http://www.sdea.com).



# Management Essentials Certificate

**This NEW 9- Week Evening Program Starts Tuesday, March 25, 2014  
Register for the Certificate Program or Individual Classes**



## Receive \$100 Off!

Register 1 person into our Certificate program and receive \$100 off the registration of a second person from your company.

Valid through March 21, 2014.

The skills and abilities that an employee possesses to be an excellent individual contributor are distinct from the skills and abilities essential to be a successful manager or supervisor. For managers to be accomplished in this complex role, they must be proactive and develop a capacity to listen, motivate, and inspire action in those on their team or in their department.

SDEA's Management Essentials Certificate is ideal for new managers, as well as those interested in expanding their leadership capacity. Expert instructors will teach participants to leverage both technical skills and people skills to meet new challenges with increased confidence and effectiveness. The course covers the following topics:

March 25 - New Employee Orientation

April 1 - Strategic Interviewing

April 8 - Effective Communication

April 15 - Resolving Conflict & Building Strong Teams

April 22 - Conducting Performance Appraisals

April 29 - Reprimand, Discipline and Discharge

May 6 - Practicing Leadership in the Workplace

May 13 - Time Management and Delegation

May 20 - Basics of Employment Law



Certificate Program Meets Every Tuesday Evening

March 25 - May 20, 2014

5:00pm - 8:00pm

(9 Courses) - \$899 Member / \$1149 Non-Member

Individual Classes: \$115 Member/\$150 Non-Member

Every month SDEA receives hundreds of calls. Here readers have the opportunity to learn from some of the most common HR questions received by our HR consultants.



**Q. If we find a mistake on a previously completed I-9 form, how should we correct the mistake?**

**A.** You can draw a line through the inaccurate information, write the correct information on Form I-9, initial and indicate the date of the correction. You should also make a note in your I-9 file that a self-audit was completed on that date.

**Q. I understand that there are some changes California's Paid Family Leave program effective July 1, 2014.**

**A.** To be eligible for Paid Family Leave, employees must either: a) care for a seriously ill family member or b) bond with an employee's new child, the new child of the employee's spouse or domestic partner, or a child in connection with the adoption or foster care placement of the child with the employee or the employee's spouse or domestic partner. Currently, a "seriously ill" family member is a parent, spouse, child or domestic partner. Beginning July 1, 2014, a "family member" will also include a grandparent, grandchild, sibling or parent-in-law.

**Save The Date:  
Friday, April 25**

**Roundtable  
11:30 a.m. - 1 p.m.**

**Mediation as  
Dispute Resolution**

**Presented by Employment Law attorney  
and mediator Ken Rose of The Rose  
Group.**

**\$35 Members | \$45 Non-Members  
Lunch and networking is included.  
To register visit [www.sdea.com](http://www.sdea.com)**



#### **Advertising And Article Submission Information**

This newsletter is published monthly by the San Diego Employers Association (SDEA). We welcome the submission of articles by our members on topics of interest related to HR. Date for submission of materials and advertising is the 15th of the month prior to publication on the 1st of each month. If you are interested in submitting an article or obtaining advertising rates, please email [info@sdea.com](mailto:info@sdea.com).