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*President's Letter*

Hello Everyone!

I hope we all will take advantage of the opportunity to spend time with friends and family over the Independence Day weekend.

In this contemporary era of terrorism, "Workplace Violence" has taken on an entirely new meaning. Dr. Dennie Templeton's timely presentation in June was an excellent overview of new challenges confronted by the management and the Human Resources community.

**On July 17<sup>th</sup> we look forward to a presentation by Dr. Sarah Hastings on "Dealing with the Distressed Employee". This membership meeting will continue this summer's theme of addressing Workplace Safety. Please join us at noon at the Farmhouse Restaurant.**

**Need Career Advice? SHRM is the answer.** SHRM devotes a section of its website to assisting members with their HR Careers. In addition to job postings, The SHRM website also provides a tool called the HR Career Guide. Dozens of online resources aid you in your job search or career path. The HR Career Guide offers members the opportunity to fill out a personal profile about where their careers are today, where they want to go, and how to get there. To take advantage of these resources visit [www.shrm.org](http://www.shrm.org). Best wishes on advancing your HR Career.

If you looking for a good book on management you may want to check out "The Three Signs of a Miserable Job" by Patrick Lencioni. The overall topic is misery at work – Lencioni takes this universal topic and through a fast read story presents his simple, but effective model for making any (yes, ANY) job more rewarding and fulfilling. So what are the three signs? Anonymity, Irrelevance, and Immeasurement!

- Anonymity – People cannot be fulfilled in their work if they are not known.
- Irrelevance – Everyone needs to know their job matters (has a purpose), to someone, to anyone.
- Immeasurement – Employees need to be able to gauge their progress (their achievements) and level of contribution for themselves.

**Please join the Virginia SHRM State Council on July 25, 2008. This one-day state meeting will be held at Mountain Lake, Pembroke, Virginia (9:00 a.m. to 3:00 p.m.).** With "Dirty Dancing" as the theme, this meeting will prove to be entertaining and informative.

As our Southeast Regional Administrator, Lisa Gardner has served us well for many years. We all wish Lisa the best as she leaves SHRM National to pursue other career opportunities in the Washington DC area.

We also offer our best wishes to Susan Meisinger, President & CEO of SHRM. Susan has retired after 20-years of service to SHRM.

Best Regards,  
Keith F. LaShomb

*Meeting Notices*

**BOARD OF DIRECTORS MEETING**

The monthly Board meeting will be held on Tuesday, July 1st at 5:15 p.m. at Manpower in Christiansburg. Any Board members that cannot attend should contact Susan Graves at [sgraves@duncanauto.net](mailto:sgraves@duncanauto.net).

**CHAPTER INDUSTRIAL MEETING**

Be sure to mark your calendars to attend the next meeting that will be held on Tuesday, July 8th at IHOP in Christiansburg. IHOP is located between Ryan's and Red Lobster in Christiansburg. This meeting is held on the second Tuesday of every month and meets at 7:00 a.m. Contact Jeff Hamley at (540) 639-8971 or [jeffrey.hamley@atk.com](mailto:jeffrey.hamley@atk.com) for more information on the Industrial Meeting.

*Chapter Financial Report*

Beginning Balance as of May 31, 2008	\$ 4,541.57
Ending Balance as of June 30, 2008	\$ 5,278.69
Scholarship Balance	\$ 2,837.00
Certificate of Deposit	\$ 2,500.00
TOTAL ASSETS	\$10,615.69

## **HEART Act Requires Employers to Provide Additional Benefits to Employees and Beneficiaries Called to Active Duty Military Service**

*by Kendra Roberson & David Perry, Attorneys at LeClairRyan*

On June 17, 2008, President Bush signed the Heroes Earnings Assistance and Relief Tax Act of 2008 (“HEART Act”), which permits, and in some cases requires, employers to provide to participants who are called to active military duty, and their beneficiaries, benefits under employer-sponsored retirement and welfare plans. These benefits are in addition to those already required under the Uniformed Services Employment and Reemployment Rights Act (“USERRA”). The provisions of the HEART Act affecting employer-sponsored pension and welfare plans are briefly discussed in this article.

### Effect of HEART Act on Welfare Plans:

#### *Distributions of Unused Health FSA Account Balances.*

Employers may distribute unused amounts in health flexible spending accounts (“health FSA”) to reservists who are called to active duty, regardless of whether the reservist has incurred qualified medical expenses.

Under a health FSA arrangement, employees may contribute a portion of their salary into a health FSA. Distributions from the health FSA that are used to pay qualified medical expenses are excludible from income and are not be subject to federal income or employment taxes. If an employee does not incur medical expenses throughout a plan year equal to the amount that he or she contributes to a health FSA, the employee must forfeit the excess health FSA balance. If these rules are not followed, all amounts in the health FSA arrangement become subject to immediate taxation.

Under the HEART Act, however, employers can distribute all or a portion of unused amounts in the health FSAs of reservists who are called to active duty for a period of at least 180 days, or for an indefinite period. The distribution must be made on or after the date of the order or call to duty, and on or before the last date that reimbursements could otherwise be made from the health FSA for the plan year in which the individual is called to active duty. Although the distribution will be taxable to the individual, it will not subject other amounts in the health FSA to immediate taxation.

This provision applies to distributions made after June 6, 2008. Plan sponsors who wish to permit eligible reservists to receive these distributions must amend their plan documents accordingly before allowing distributions, and must notify all participants in the cafeteria plan of the change.

#### *Mental Health Parity Requirements.*

The HEART Act extends the mental health parity requirements applicable to group health plans for the period from June 17, 2008 through December 31, 2008. Generally, group health plans sponsored by large employers (i.e., employers who employ more than 50 employees on average) cannot impose annual or lifetime limits on mental health benefits that are lower than the dollar limits imposed on medical and surgical benefits. Employers who violate this provision are subject to an excise tax of \$100 per day.

### Effect of HEART Act on Retirement Plans:

The HEART Act requires employers to provide certain benefits and privileges under their retirement plans to and on behalf of individuals called to active duty. However, employers are not required to implement all of the HEART Act’s retirement plan provisions. Rather, some benefits are required, while others are optional. Employers generally must amend their retirement plans to comply with the HEART Act by 2010 (December 31, 2010, for calendar year plans), and some of the HEART Act provisions are immediately effective.

*Required Benefits:*

Employers must provide beneficiaries of plan participants who die while performing qualified military service with additional benefits (other than benefit accruals relating to period of service) that would have been provided to the beneficiary if the plan participant had resumed employment immediately before his or her death and subsequently terminated employment on account of death. For example, such benefits include accelerated vesting, ancillary life insurance benefits, or other survivor benefits contingent on death. This requirement applies to deaths occurring on or after January 1, 2007, of participants in pension plans subject to sections 401(a), 403(b) and 457(b) of the Internal Revenue Code.

Any “differential” wage payments made after December 31, 2008, by an employer to an individual who is performing service in the uniformed services on active duty must be treated as compensation under the employer’s tax-qualified retirement plans. Generally, differential wage payments include any amounts paid to an individual while on active duty for more than 30 days that the individual would have otherwise received while performing services for the employer.

After 2008, employers must treat participants in tax-qualified 401(k), 403(b) and 457(b) plans who are on active duty for more than 30 days as having terminated employment for purposes of determining their eligibility for distributions from the plans. Any participant who requests a distribution on account of this deemed termination cannot make elective deferrals or employee contributions for 6 months after the distribution date.

*Optional Benefits:*

Plan sponsors may provide retroactive benefit accruals to participants who are unable to return to employment due to death or disability occurring on or after January 1, 2007, while performing qualified military service. The additional benefit accrual may equal all or part of the amount a participant would have received with respect to his or her period of qualified military service if he or she had been rehired under USERRA and subsequently terminated employment on the date of his or her death or disability. If an employer chooses to provide additional benefit accrual service, it must provide it to all qualifying employees on a reasonably equivalent basis.

Employers may allow reservists who are called to active duty for at least 180 days, or for an indefinite period, to receive distributions of elective deferrals from their retirement plans, and such distributions are exempt from the 10% early withdrawal penalty. The individual must be permitted to repay the distribution within two years after the end of active duty. This provision was originally enacted under the Pension Protection Act of 2006 with respect to individuals called to active duty after September 11, 2001, and before December 31, 2007; the HEART Act extends the provision to any individual called or ordered to active military duty on or after December 31, 2007.

Because some of the HEART Act’s provisions are effective immediately or retroactively to January 1, 2007, employers should review their plan provisions, policies, and practices with respect to individuals called to military duty, and make any necessary changes.

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*For more information regarding the HEART Act and its effect on employee benefit plans, please contact employee benefits attorneys David E. Perry, and Kendra L. Roberson at 510-3000 or [david.perry@leclairryan.com](mailto:david.perry@leclairryan.com) or [kendra.roberson@leclairryan.com](mailto:kendra.roberson@leclairryan.com).*



## 2008 Academic and Certification Scholarships for SHRM Members

Generously underwritten by

J. J. Keller  
Foundation, Inc.

One hundred scholarships totaling \$100,000 will be awarded to SHRM members in 2008. The awards program is designed to assist working SHRM members in meeting their professional development goals. Individuals may apply for either a \$1375 education scholarship or a \$750 certification scholarship.

**Application Deadline:** July 15, 2008

**Eligibility:** National SHRM professional, general and associate members pursuing a college degree or working towards PHR, SPHR, GPHR or California certification are eligible to apply. SHRM student members and local-only members are *not* eligible for these awards. Chapters and state councils may also apply for scholarship funds to support certification training programs.

**Awards:** 60 certification scholarships of \$750 each and 40 academic scholarships of \$1375 each will be awarded. Applications will be judged in the following five groups:

- Northeast Region
- Southeast Region (includes former Caribbean Atlantic Region)
- North Central Region
- Southwest Central Region
- Pacific West Region (includes former Asia Pacific Region)

Each group has a total of \$20,000 to distribute which guarantees that there will be 20 scholarship winners (12 certification awards and 8 academic awards) in each group.

**How to Apply:** Visit [www.shrm.org/foundation](http://www.shrm.org/foundation) and click on "Scholarships & Awards" to print out an application or learn more about the Regional Scholarship Program.

## NEW RIVER VALLEY SHRM

### MEMBERSHIP MEETING July 17, 2008

**Topics:** Dealing with the Distressed Employee

**Speaker:** Dr. Sarah Hastings  
Radford University

**Location:** Farmhouse Restaurant, Christiansburg, VA

**Time:** 11:45 a.m.—1:30 p.m.

Lunch will be served at a cost of \$15 for SHRM members and \$20 for non-members.

Please RSVP with Valerie Crabtree, [Valerie.crabtree@manpower.com](mailto:Valerie.crabtree@manpower.com), by Monday, July 14th. It is important that you contact Valerie if you are planning to attend so we can have an accurate count of meals needed.

#### **APPROVED FOR RECERTIFICATION CREDIT**

This program has been approved for 1 credit hour toward PHR, SPHR, and GPHR recertification through the Human Resources Certification Institute (HRCI)



## 2008 Calendar of Events & Annual Meeting Schedule

DATE	TOPIC	SPEAKER	LOCATION
January 17, 2008	Organizational Justice (approved for HRCI—1.0)	Dr. Mike Aamodt, Radford University	Hampton Inn—7:30 a.m. to 9:00 a.m.
February 21, 2008	Mediating Conflicts (approved for HRCI—1.0)	Bobbie Raynes, Certified Mediator	Farmhouse—11:45a.m. to 1:30 p.m.
March 20, 2008	Legal Update: Focus on Em- ployee Relations	Jim Cowan, LeClair Ryan	Hampton Inn—7:30 a.m.— 9:00 a.m.
April 17, 2008	Technology and Staffing Online Recruiting and Screening	David Cohen, DCI Consulting; Ella Greer, Radford City Po- lice; Jerry Barnett, VEC	Baker's Best—5:30 p.m. to 8:30 p.m.
May 15, 2008	Legal Update: Staffing	Todd Leeson, Gentry, Locke, Rakes	Location TBA—7:30 a.m. to 9:00 a.m.
June 19, 2008	Terrorism & Workplace Vio- lence	Dr. Dennie Templeton, Radford University	Hampton Inn—7:30 a.m. to 9:00 a.m.
July 17, 2008	Dealing with the Distressed Employee	Dr. Sarah Hastings, Radford University	Farmhouse—11:45 a.m. to 1:30 p.m.
August 21, 2008	Legal Update: Health & Safety	Victor Cardwell & Tom Winn, Woods, Rogers	Location TBA—7:30 a.m. to 9:00 a.m.
September 18, 2008	Ethical Dilemmas	Mary Jane Umberger, HR Alliance, LLC	Farmhouse—12:00 p.m to 2:00 p.m.
October 16, 2008	Scanning the External Environ- ment in the NRV	Aric Bopp, NRV Economic Development Alliance	Location TBA—7:30a.m to 9:00 a.m.
November 20, 2008	Legal Update: Privacy	Heather Polzin, LiClair Ryan	Location TBA—7:30 a.m. —9:00 a.m.
December 2008	Holiday Social		Farmhouse—5:30 p.m.— 7:30 p.m.
January 2009			

**Inclement Weather Policy: Meetings will be cancelled if Montgomery County Schools are closed or on a two-hour delay due to inclement weather.**