



# Monthly Strategies

HR Strategies, LLC

Volume 20, Issue 1  
January 1, 2023

## **Compensation Concerns**

Many small to mid-size organizations don't have a compensation strategy. These same organizations don't fully understand that by not having a compensation strategy it will negatively impact their business.

Does your current budget allow for the cost of replacing an employee? By investing in a compensation strategy that helps you pay fairly in the first place, you can prevent costly turnover. A recent Entrepreneur article shared that turnover costs are estimated to be 100%-300% the cost of the base salary of the replaced employee. Fair salaries or the perception of unfair salaries, play a crucial role in turnover. So, if you're not paying right, your organization is most likely losing unbudgeted dollars in turnover-related costs. Can your company afford that?

Some organizations believe if they invest in a compensation strategy, they will have to pay everyone more. Actually, having real-time compensation data could help your company save money. Statistics show that compensation is one of the top reasons people leave companies, but data shows that 55% of those who believe they are underpaid are actually paid at or above market rate. With correct data, you have information to correct your employee's misconception without spending an extra penny. Stop handing raises out like candy and start using data to retain and engage employees more cost-effectively. Having a compensation strategy and the data to influence your pay decisions will positively impact your bottom line!

## **Time to Update Your AAP's**

Many Affirmative Action Plans (AAPs) expired on December 31, 2022. Under federal law, government contractors and subcontractors with 50 or more employees who have entered into at least one contract of \$50,000 or more with the federal government must prepare and maintain a written affirmative action program, which must be

developed within 120 days from the commencement of the contract and **must be updated annually**.

AAPs should be submitted to DOL during the first quarter of 2023.

## **Effective 1/1/23 Minimum Wage Increases for Surrounding Areas**

**Delaware** changes from \$10.50 to \$11.75

**Maryland** changes from \$12.50 to \$13.25

**New Jersey** changes from \$13.00 to \$14.13

**New York** changes from \$13.20 to \$14.20 (\$15.00 in and around NYC)

**Virginia** changes from \$11.00 to \$12.00

## **Delaware Anti-Sexual Harassment Law Training Requirements**

The Delaware law that specifically addresses prohibition against sexual harassment under the Delaware Discrimination in Employment Act (DDEA), requires anti-sexual harassment training requirements for employers, with 50 or more employees in the state, every two years. The law went into effect on January 1, 2019, and in January 2023 it will again be time to conduct the mandatory interactive training.

Contact HR Strategies to schedule your organization's required training or schedule individual employees for a live upcoming online interactive class.

## **Death of an Employee**

Experts agree that no one is more important than the person at the top in helping staff regroup after a co-worker's death. The leader must acknowledge the pain, understand it and personalize it. The role of leadership is to help people make sense of the unknown or tragic.

Two of the biggest mistakes employers make after a workplace death are minimizing the event and pivoting away from it too soon. The impact of grief will linger much longer if people don't pause and reflect before trying to move on.

The initial message shouldn't be "Let's get past this," you need to be able to be sad with one another. Encourage employees to take a moment, decompress together, share, vent. Genuine expressions from a leader will provide relief and comfort that employees are not on their own.

Create a culture where it's OK not to be OK, grieving should not be seen as a weakness in the workplace. When you ignore and push grief aside and try to plow through, it comes out in more unmanageable ways and bigger problems.

Below is a checklist that should help with the tactical items that need to be handled in the event of an employee's death.

### Stage One: Immediate Response and Communication

*If death (or serious accident/illness) occurs at work:*

- ☐ Call 911.
- ☐ Call the employee's emergency contact person, if designated, or other known family member to advise of the situation.
- ☐ Send a spokesperson to the hospital to meet family.
- ☐ Contact OSHA at 1-800-321-OSHA if death/accident is work-related.
- ☐ Notify employees/executives with most critical need to know first, including HR.
- ☐ Upon death, notify the remaining employees indicating details will be forthcoming.
- ☐ Follow existing internal procedures regarding contact with the media as needed.
- ☐ Be sensitive to the family and ask for the name of a contact person who can provide funeral details when known and arrange for benefits procedures to be completed when appropriate.
- ☐ Designate an internal contact person for employees who have any questions or concerns to prevent employees from trying to contact the family directly.

*If death occurs outside of work:*

- ☐ Notify employees/executives with the most critical need to know first, including HR.
- ☐ Notify the remaining employees, indicating details will be forthcoming as available.

- ☐ Be sensitive to the family and ask for the name of a contact person who can provide funeral details and arrange for benefits procedures to be completed when appropriate.
- ☐ Designate an internal contact person for employees who have any questions or concerns to prevent employees from trying to contact the family directly.
- ☐ Follow existing internal procedures regarding contact with the media as needed.

### Stage Two: Handling Arrangements and Keeping Business Moving

- ☐ Notify customers/clients with direct relationships and reassign work as appropriate.
- ☐ Arrange to intercept and redirect phone, voicemail, email and mail communications.
- ☐ Arrange grief counseling for employees through an EAP or local hospice. Provide grieving employees with time off as needed (immediately if they witnessed the death) preferably on a paid basis.
- ☐ Begin termination processing following normal procedures (see the section on benefits below).
- ☐ Have designated contact person keep track of all notes, flowers, etc. that arrive following the death so they can be responded to and collected for the family. Photographing flower arrangements received is an option when the family has suggested donations in lieu of flowers.

*Planning for funeral/memorial service:*

- ☐ Determine where to send flowers according to the family's wishes.
- ☐ Inform employees if donations are requested in lieu of flowers.
- ☐ Arrange for time off to attend the services. Consider the impact on business but also recognize that many employees may feel a need to attend the service. Be flexible and provide paid time off if at all possible.
- ☐ Arrange for a special or lasting tribute or memorial taking into consideration the culture of the company, how well known the person was, employee suggestions, etc. Ideas include holding a company service separate from the funeral, displaying a plaque in the office,

creating a memory book for the family with notes and pictures from coworkers.

- ☐ Consider creating a memorial fund/scholarship. Contact local financial institutions to find out what options exist in situations where there are a number of employees who wish to donate, young children left behind by the employee, etc.

### **Stage Three: After the Funeral/Final Wages/Benefits Processing**

- ☐ Locate beneficiary designations for all benefits.
- ☐ Schedule time to meet with the employee's beneficiaries if possible.
- ☐ Confirm state law regarding final pay for deceased employees and associated tax issues and comply promptly with all rules. Consult with tax advisors if necessary.
- ☐ Treat accrued unused vacation, sick, PTO, etc. in accordance with state law or company policy.
- ☐ Determine what documentation (i.e., certified death certificate) is needed to process benefits paperwork for life insurance, pension/401(k), workers compensation death benefits, etc.
- ☐ Terminate health insurance benefits according to policy as of date of death.
- ☐ Determine health care flexible spending account funds available for health expenses prior to the employee's date of death and notify family of procedures for reimbursement.
- ☐ Process COBRA paperwork for dependents covered on the group health plan.
- ☐ Follow normal termination procedures to ensure all equipment, keys, credit cards, etc. are returned and security issues are addressed.
- ☐ Arrange for packing and delivery of personal belongings (ask family how they want this handled). A close colleague or supervisor is best choice if family prefers not to be involved.

***Contact HR Strategies staff at 302.376.8595 or [info@hrstrategies.org](mailto:info@hrstrategies.org) if you would like support or would like to learn more about the items in this newsletter. Please contact us if you would like to be removed from our Monthly Strategies mailing list or if you would like for us to add someone to our mailing list.***