



Dear Clients and Friends,

It's hard to believe that 2007 is in sight. The turning of the calendar generally means that employers have many irons in the fire – especially as it relates to employee benefits.

In addition to holiday decisions, many employers have open enrollments for health insurance and other benefits in the New Year. Flexible spending account decisions, for example, must be made for the tax year beginning in January.

Employers should also consider providing employees with an annual compensation statement. A basic summary should detail wages, the value of paid time off such as vacation days and holidays, a snapshot of benefits and total costs for health, life insurance and any other benefits.

*Sincerely yours,
Jim Lill, President*

Holiday Planning 2007

The end of the year holidays are a signal for employers to plan for paid holidays for 2007. Most employers announce the upcoming year's paid holidays early in the New Year so that employees can make plans for the remainder of the year.

Sixty-percent of employers offer from seven to ten paid holidays. The number of federal bank holidays for 2007 is ten (10). Employers are generally able to determine the holidays that will be considered paid – if any! It is always advised to check for specific state laws if an employer is considering employment-related policies that are different from custom.

Christmas, December 25, 2007 is on a Tuesday. Many employers remain open for one-half day on Christmas Eve. For 2007, employers may want to consider whether they will observe one-half day on December 24th or close entirely.

New Year's Eve occurs on a Monday in 2007. Employers may want to consider New Year's Eve as a paid 2007 holiday and New Year's Day as a

holiday for either 2007 or 2008.

Employers can determine who is eligible for a paid or unpaid holiday. For example, part-time employees may have an unpaid day off when full-time employees are paid for the holiday.

Similarly, employers can establish rules for paid holidays that require employees to work the day prior and the day following the holiday in order to be paid.

Communication of holidays, whether they are paid or unpaid and the rules regarding them should be clearly articulated. Many employers provide a memo to employees in early January regarding their policy for the upcoming year.

A well constructed holiday policy should also consider whether employees will be paid for a holiday if they are on leave. Typically, employers will allow employees to wrap paid holidays into paid vacations. But, employers should determine if employees on unpaid leaves would be paid if a holiday falls during the leave.

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