



# QUARTERLY BULLETIN

AFFILIATE OF



SOCIETY FOR  
HUMAN  
RESOURCE  
MANAGEMENT



SHRM®



*Inside  
Scoop:*

*Employer  
Responsibilities  
under the new  
Pension  
Protection Act  
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### FROM THE PRESIDENT BY GREG HARTLEY, PHR

Fall has always been a time of change. The change from summer vacation to starting school, the change in the weather, the changing leaves, baseball being replaced by football, and long sleeves replacing short sleeves. Whatever the change, it means something new is happening.

Changes are also happening with your SEPA SHRM Chapter. We have new and exciting programs to finish out 2006. Topics include Pennsylvania legislative issues, diversity, and mergers & acquisitions. Visit [www.sepashrm.org](http://www.sepashrm.org) for up-to-date information.

And changes are occurring in SEPA SHRM's leadership. Currently there are two openings on the Board of Directors which we will be filling soon. If you are interested in being on the Board please submit your resume to [greg.hartley@sesameplace.com](mailto:greg.hartley@sesameplace.com) by October 31, 2006.

For those of you who want to get more involved with the chapter but do not have the time to serve on the Board, we will be asking for volunteers to serve on various committees.

One thing that will not be changing is the Board's commitment, and dedication to making your SEPA SHRM Chapter a reliable resource for your HR needs.

So take advantage of the changes the season brings, visit a corn maze, go to your Home Coming game, take a walk through the woods as the leaves change colors, or stop by the many small town festivals in your area.



## SEPA SHRM PROGRAM

**UPDATE** by Joanne Zeas, SPHR, VP/  
Director Professional Development/Programming



- Oct 17, 2006** **Diversity**—by Ignace Cognac, VP Diversity Prudential Financial. Approved for strategic management credits.
- Nov 21, 2006** **Mergers & Acquisitions**—G. Lee Bohs, Senior VP at Nobel Learning Communities and Jeanne Fisher, Senior VP at AmerisourceBergen.
- Dec 19th, 2006** **Annual Holiday & Special Breakfast meeting—Pandemic Preparation**—Jonathan A. Segal, Esq., Wolf Block.

We are proud that our chapter has become an "Approved Provider" for HRCI for our monthly meetings. When SEPA offers programs that meet HRCI guidelines for recertification, our meeting announcements will be sent with the HRCI seal indicating that the program is approved for credit. With this seal, you will be able to attend our meetings with the knowledge that the program is approved for credit.

**When:** 3rd Tues of each month. Meetings run from 8 a.m. to 10:15 a.m. and include breakfast, networking and a professional development program.

**Where:** Best Western Northeast on RT 1. Three miles south of PA Turnpike exit 351 (nee 28) or 4 mi west of I-95).

**Cost:** \$12.00 Chapter members \$17.00 Non-chapter members. Students receive special rates.

Pre-register on line at [www.sepashrm.org](http://www.sepashrm.org) or call the Chapter Hotline at 215-698-7116.

E-mail topic suggestions to Joanne Zeas at [Zeas.j@gmc.edu](mailto:Zeas.j@gmc.edu)

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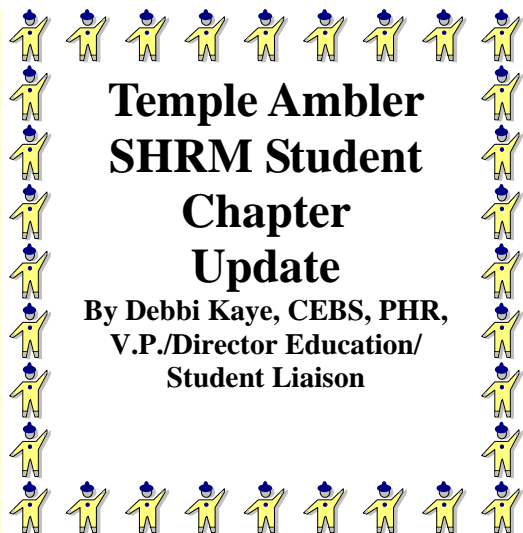
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**Open**  
V.P./Director Foundation



**Temple Ambler  
SHRM Student  
Chapter  
Update**

**By Debbi Kaye, CEBS, PHR,  
V.P./Director Education/  
Student Liaison**

Temple Ambler Student SHRM Chapter kicked off the Fall semester with a Social on Sept 6, 2006. Debbi Kaye, Greg Hartley, Chris Tierney and Kristine Piazza-Belser attended the social from the SEPA SHRM Board of Directors.

New Student Chapter officers for 2006/2007 include: Jennifer Bertolet, President; Sarah Bryant, Vice President/Treasurer; and Dan Williamson, Secretary/Director of Corporate Relations.

The student chapter is seeking SEPA SHRM members to volunteer for the following:

- ✦ A speaker for one of their meetings on Global HR issues;
- ✦ Hosts for Shadow Day, to be held between 12/15/06 – 1/15/07;
- ✦ Speakers for meetings in February, March and April 2007

If you are interested, please contact Debbi Kaye at [dkaye@stonemor.com](mailto:dkaye@stonemor.com).

The students are currently trying to recruit new members for their chapter. They are also holding two fundraising events in October. One is an Eagles party for Monday Night Football and the other is a Tug-of-War competition.

As always, if any SEPA SHRM members have paid internship opportunities, please send an email to Debbi Kaye with a job description and further details.



**DIVERSITY**

By Vicki Ferguson, SPHR,  
V.P./Director Diversity

**BE SURE TO ATTEND OUR  
SPECIAL DIVERSITY  
PROGRAM – OCT 17th.**

Program given by Ignace Cognac, VP Diversity Prudential Financial, will focus on the business case for diversity; how to effectively build a diversity strategy and establish metrics and will offer steps for assessing your organization's diversity readiness. Approved for strategic management credits.

*"If you don't like something,  
change it. If you can't change it,  
change your attitude."  
- Maya Angelou*

**TREASURER'S  
REPORT**

by **Dick Handschumacher,  
SPHR, V.P./Treasurer**



	May 31, '06
<b>ASSETS</b>	
Current Assets	
Checking/Savings	42,482.86
<b>Total Current Assets</b>	<b>42,482.86</b>
<b>TOTAL ASSETS</b>	<b>42,482.86</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Other Current Liabilities	68.00
<b>Total Current Liabilities</b>	<b>68.00</b>
<b>Total Liabilities</b>	<b>68.00</b>
<b>Equity</b>	<b>42,414.86</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>42,482.86</b>

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**Don't you think it is time you log on?  
Sepashrm.org**

**Check it Out!**



**LEGAL & LEGISLATIVE UPDATE** by  
Roslyn Schaffer, SPHR VP Legislative Affairs

**General Provisions of the Pension Protection Act of 2006**

The bill, which exceeds 900 pages, contains many provisions that will require further regulatory clarification in order to implement. **It is important to note that the various requirements have differing implementation dates.** SHRM has archived a webcast that was originally offered on September 7<sup>th</sup> that summarizes some key areas of the act. Members are urged to view this webcast, which also provides 1 hour of recertification credit.

With regard to defined benefit plans, the act aims to shore up existing plans by requiring employers to make sufficient contributions to meet a 100% funding target and erase shortfalls over 7 years. It forces employers with "at-risk" plans to make accelerated contributions and changes the interest rate model used for measuring a company's liabilities. It also prohibits employers and unions from increasing benefits if a plan is less than 80% funded and restricts the use of deferred executive compensation arrangements for employers with severely underfunded pension plans. There are special provisions for airlines and certain provisions of the Deficit Reduction Act of 2005 were made permanent, such as the one that requires plan sponsors to pay a per-participant, per-year charge for up to three years following the termination of a plan.

Defined contribution plans were also impacted by the act. The provisions of EGTRRA were made permanent. These would include increased contribution levels, catch-up provisions and portability of the plans. The vesting schedules are now also reduced under the act to a three year cliff vesting and six year graduated vesting schedule for employer contributions even when those contributions are non-matching.

As a result of the Enron scandal, the act requires employers who contribute company stock to allow employees to diversify their investments. Contributions made by the employee may be diversified at all times, while employer matches may be diversified after the employee completes 3 years of service. And plans must provide at least 3 alternative investment options. The right

to diversify, must be announced to employees in a notice and in quarterly benefit statements.

The act also allows employers to provide investment advice to participants through the use of qualified advisors such as a registered investment company, banks, insurance companies or broker-dealers as long as the fees paid to the advisor are not based on the investment choices made by participants or the recommendations are based on an independent computer model that does not favor specific investments.

While automatic enrollment was never prohibited, some state wage payment laws prohibited deductions without approval from the employee. The act preempts state laws. It also spells out new safe harbor provisions for automatic enrollment plans. The act also allows plans to permit participants to revoke enrollment and withdraw contributions within 90 days and spells out notice requirements. Guidance on how to implement these plans is mandated by February 17, 2007.

Hardship distributions will now also include events incurred by non-spousal and nondependent designated beneficiaries

**"HR professionals should voice their views about legislative actions through HRVoice on [www.shrm.org](http://www.shrm.org). Click on "Governmental Affairs," then go to "HRVoice" on the left side of your screen. Choose "Write your elected officials."**

There are many other provisions of the act such as those relating to missing participants, default investments, electronic display of SPD's, permanence of the Saver's Credit, the ability to deposit a portion of a federal tax refund directly into an IRA, and more. Plan sponsors have until the last day of the first plan year beginning on or after January 1, 2009 to amend plans.

**Employer Responsibilities Under the New Pension Protection Act**

The Department of Labor has issued the first set of proposed regulations in response to the passage of the Pension Protection Act of 2006. The proposed regulations issued Sept 26, 2006 and published in the Federal Register Sept 27<sup>th</sup>: <http://benefitslink.com/DOL/06-8282.pdf> address automatic enrollment options. These provisions are designed to increase participation in retirement plans and provide a greater investment income for participants.

**Continued Page 4—Legislative**

## CONGRATULATIONS!

The SHRM certification awarded by the Human Resource Certification Institute (HRCI) signifies that HR professionals possess the theoretical knowledge and practical experience in HR management necessary to pass a rigorous exam, demonstrating a mastery of the body of knowledge in the field.

The following SEPA SHRM members and SEPA SHRM-sponsored Villanova participants deserve our congratulations for earning their PHR or SPHR certification:

**PATRICIA MARTIN, PHR**  
**MARIPAT BROWN, PHR**



### From page 3—Legislative

Default investment alternatives are defined and the DOL establishes conditions for granting plan fiduciaries relief from liability for investment outcomes. Unless a participant makes an election of investments for contributions, the assets must be invested in a “qualified default investment alternative” (QDIA). A QDIA must be diversified so as to minimize the risk of large losses; may not invest participant contributions directly in employer securities; and may be lifecycle funds, balanced funds or professionally managed accounts. Traditional conservative default options such as money market and other cash-equivalent accounts do not qualify.

Participants must be given an opportunity to make investment selections. A notice must be furnished to participants 30 days in advance of the first investment and at least 30 days in advance of each subsequent plan year. This notice must describe the circumstances under which assets will be invested in a QDIA, a description of the investment objectives of the QDIA and an explanation of the rights of participants to direct the investments out of the QDIA.

**This summary is not intended to be legal advice. Please consult your attorney for information relating to your own organization.**

This summary does not address all of the provisions of the proposed regulations, so please review the proposed regulations for all the details.

Written comments to the proposed regulations will be accepted until Nov 13, 2006. Comments may be submitted to [e-ORI@dol.gov](mailto:ORI@dol.gov) or [www.regulations.gov](http://www.regulations.gov). Comments may be viewed at [www.dol.gov/ebsa](http://www.dol.gov/ebsa) and [www.regulations.gov](http://www.regulations.gov). The DOL proposes to make the regulation effective 60 days after the date of publication of the final rule in the Federal Register.

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Health System

**Buzz Satinsky, Esq.**  
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