

# **Newtek**<sup>®</sup> Insurance Agency & Payroll Services

## ***The Health Insurance Authority***

**Employee Benefits**

**Voluntary Benefits**

**PEO's**

**Worker's Compensation**

**Employment Practices Liability**

**Crime Coverage**

**Outsourced Human Resource Support**

**Human Resource Information Systems**

**Payroll Services**

**ERISA Compliance**

# Employee Benefits

**Newtek** Insurance Agency is licensed in all **50 states**, and works with more than **40 highly rated carriers** to provide you with helpful service **24 hours a day, 7 days a week.**



**Newtek is partnered with the most trusted names in healthcare**

#### Fully Insured Carriers:

- » United Healthcare
- » Oxford
- » Humana
- » BlueCross Blue Shield
- » Cigna
- » Aetna
- » Kaiser

#### Partially Self Insured Options:

- » National General
- » All SAvers
- » Cigna

#### Self Insured TPA's

- » IBA
- » UMR
- » Meritain

We are able to propose cost effective customized and comprehensive Employee Benefit solutions incorporating:

- » Group Medical (PPO, HMO, POS)
- » Group Dental/Vision
- » Short Term/Long Term Disability
- » Group Life & AD/D Insurance
- » Travel Accident Insurance
- » 401(K) Services
- » Voluntary Plans
- » COBRA Resources
- » Employer Assistance Programs

**Newtek** is a **premier broker of Employee Benefits Administration**

for small and medium sized

business

# Employee Benefits

## Newtek Insurance Agency offers:

We work with you to address your main goals in offering a health insurance plan to your employees and make sure you meet those objectives

Employee Benefit Solution enrollment process — Not only are you able to contact your dedicated servicing representative for enrollment and termination changes, but you can also choose to enroll them online.

COBRA, FSA, HSA, HRA, POP Plan Administration – Whether you are looking for a company to handle the COBRA administration, Flexible Spending Accounts, Health Savings Accounts, Health Reimbursement Accounts or Premium Only Plans, we are able to implement the right programs for you and your staff to maximize your employee benefit plan.

Provide streamlined support – You will have the name, direct line and email address of your dedicated servicing representative. This will ensure that customer service is always available as YOU need it.

We will be able to walk you through policy changes, system changes, employee additions and terminations through the process for you effortlessly online or over the phone.

Not only are we making sure that you are appropriately covered at the best price but we are also providing the seamless integration and administration of benefits.

As the business owner it is up to you to choose the carrier, the coverage and the type of policy that you want. By working with Newtek, you have the market options that you want with the seamless integration you need.

## Voluntary Benefits

### Disability Insurance/ Short-Term Disability Insurance

May replace  
**40%-70%**  
of your income

Protection that can replace a portion of your income if you are unable to work for a few weeks or months because of an illness, injury or childbirth

### Accident Insurance

Guaranteed renewable accident insurance provides lump-sum indemnity benefits for accidents. Employees can choose coverage for on- and off-the-job or off-the-job-only accidents, family coverage or stand-alone coverage for themselves, their spouse or dependent children. Optional riders, such as disability income, are available at an additional cost for the employee or spouse.

**51%**

of employees are willing to bear more of the cost of benefits in order to have a choice of benefits that meets their needs

### Hospital Indemnity Insurance

Hospital Confinement Indemnity products can provide your employees the benefits they need without hurting your organization's bottom line. And if you have or are considering a Health Savings Account (HSA) we have plans that are HSA-compliant which can help you and your employees stretch benefit dollars, at no direct cost to you.

### Specified Disease Insurance

Specified disease products offer the inherent advantages of individual products on a group platform. So you have the underwriting and pricing advantages of a group product combined with the benefits flexibility, published rates and limited portability of an individual product, all available at guaranteed issue as long as certain requirements are met.

### Employer-Paid Benefits

**47%** employers believe medical plans are important for achieving an employee's financial security  
**64%** employees believe that dental, life and disability are important for achieving an employee's financial security

**46%** employers believe that dental, life and disability are important for achieving an employee's financial security  
**58%** employees believe that dental, life and disability are important for achieving an employee's financial security

## PEO's

Professional Employer Organizations work with your business through a co-employment model to become the legal employer of your business and take over typical

Human Resources responsibilities:

- » Administrative Services
- » Payroll
- » Worker's Compensation
- » Human Resource Management
- » Compliance Management
- » Employment Practices Liability
- » Group Benefits

Newtek Insurance Agency works with the following PEOs

- » Tri Net - SOI
- » Ambrose
- » Passport
- » Prestige
- » Oasis



### The Benefits of Joining a PEO

- » Remove the worry of an in house Human Resources Department
- » Provides training, management and encouragement for the staff at an affordable cost
- » Creates ease in selecting a predetermined benefit package that can be offered to employees
- » Provided portal and technological integration to the PEO

# Worker's Compensation

## What is "Pay As You Go" Worker's Compensation?

- » A simple and convenient way for our payroll clients to pay for their worker's compensation insurance through one streamline product.
- » Provides the opportunity to pay worker's compensation premiums while processing payroll as opposed to making separate monthly payments.
- » May be able to be integrated into your existing worker's compensation program



Purchasing worker's compensation is a state requirement that can be a frustrating and tedious process. You can be billed large upfront 25-30% down payments, finance charges, and costly end of year audits without the right program. "Pay As You Go" Worker's Compensation insurance through Newtek Insurance Agency will minimize these issues, while delivering quality and dependable payroll processing.

## Benefits of "Pay As You Go" Worker's Compensation

- » Improved cash flow
- » Minimizes the down payment
- » No finance charges
- » Significantly reduces the audit at the end of the policy
- » Premiums calculated with each payroll



# Employment Practices Liability

## Top 10 Reasons to buy EPL

The Equal Employment Opportunity Commission (EEOC) recorded nearly 76,000 charges in 2006 and obtained more than \$274 million in settlements for claimants.

EPL covers not only actual but also alleged acts of discrimination, harassment, retaliation, wrongful termination and other similar acts.

**3/5** employers are sued by former employees every year.

The medium cost of an EEOC lawsuit in 2006 exceeded \$200,000.

Some Federal and State employment laws apply to all employers – any size company has exposure!

**Over 40%** of EPL claims are against firms with fewer than 100 employees.

The financial ramifications of not having EPL insurance can be crippling, especially for small firms because they do not have the operating budgets to handle the defense costs, let alone settlements or judgments, of an uninsured claim.

There is no EPL coverage under other insurance policies such as General Liability (GL). Any endorsement to another policy generally provides insufficient limits, does not provide the breadth of coverage of a separate EPL policy and erodes the limit available for the GL exposure.

Since 1997, wage and hour litigation has tripled. More wage and hour collective/class actions have been filed in recent years than any other types of employment class actions combined.

Gender discrimination, age discrimination and retaliation claims are on the rise. There are more women and "baby boomers" in the workplace than ever before. Recent Supreme Court decisions have lowered the standard of what constitutes retaliatory treatment

# Crime Coverage

Fidelity and crime coverage offers multiple insuring agreements to provide protection for exposures such as loss from forgery or alteration, loss of money and securities and reimbursement for claim expenses.

Additionally, funds transfer fraud and computer fraud are threats that every organization must consider. These perils may include malicious software, such as Trojan horse programs, and spoofing techniques designed to circumvent online authentication methods.

Electronic funds transfer fraud coverage and computer fraud coverage, when purchased together, can protect your assets against what can be complex and unique perils.

The typical organization loses 5% of its revenues to fraud each year



Fidelity and Crime coverage provide an important backstop against the actions of a **thieving employee, protecting your company's balance sheet, assets and your stakeholders' investment**

The average loss caused by employee dishonesty is

**\$140,000**

with one in every five cases reporting a loss of at least

**\$1M**

Background checks, even when they are used, are of little help to employers to mitigate fraud. Most occupational fraudsters are first-time offenders with clean employment histories



Technological advances can be both good and bad. Increased ease of doing business can leave businesses exposed to new and complex funds transfer fraud and computer fraud threats



# Outsourced Human Resource Support

Businesses today have more human resource liabilities than ever before, and Newtek Insurance Agency has the tools to help you manage them. Small business owner's time is valuable. When administering benefits, dealing with employee issues, handling an employee separation, or organizing HR documentation in the event of an audit, business owners are unable to do what is most important.....generate revenue.

**1** Newtek's Human Resource products have employee manuals that are a critical part of protecting any business. Having an effective handbook in place will help the business stay out of court, improve overall operations, motivate employee performance and establish clear communication, and Newtek will make sure you are covered.

**2** Business will benefit from real-time eAlerts for instant notifications of federal and state law changes. It is a quick and efficient way to stay on top of any law updates that may impact the business.



Monthly HR Newsletters and Podcasts

**3** Our HR Support Center database is run, managed and maintained by Certified HR Professionals governed by the National Employment Law Firm

**5** Eliminate or reduce the investment of time and money used to train or hire an employee to achieve the same level of understanding and expertise

**6** Newtek Insurance Agency has outsourced human resource solutions that will make sure your business adheres to federal, state and local employment regulations; recruit top talent; motivate people to peak performance or improve communication between management and staff.

**7** Affordable monthly costs that will work along with your objectives and budgets. No long term commitments or expensive contracts.

# Human Resources Information Systems

An HRIS system is a key tool for your Human Resource department to effectively manage your benefits as timely and accurately as possible. By integrating this key technological component, your HR department has the ability to automatically enroll, terminate and change coverage options in real time.

This will ensure employee transactions are created timely, and accurately without the hassle of paper applications, illegible requests, and lost transactions to the carrier. Electronic carrier feeds allow your Human Resource departments to run more efficiently saving your company money, and reducing liability.

## Features

- » Overall employee data management
- » All mandatory and optional benefit documentation
- » Open enrollment capabilities
- » Monthly statement reconciliation
- » Employee portal access

- » Payroll integration
- » Carrier feeds for policy submissions
- » Budgeting and accounting reporting available
- » Low cost



# Payroll Services

Newtek Payroll Services provides you with a complete payroll processing solution for your business. Our professionals take responsibility for calculating checks, with-holding payments and paying taxes. We also provide complete quarterly and year-end reporting. With Newtek's Payroll Service, you can relax and leave the payroll hassle to us.

## PAYROLL MANAGEMENT

With Single-Point-Of-Contact Support, 24/7 Online input & access to reports, and direct deposit of payroll (or pay cards) your business will process payroll effectively and efficiently with a low cost, low touch system. All of your payroll registers and management reports, year-end reports & W-2's are taken care of.

## EASY ACCESS TO PAYROLL MANAGEMENT REPORTS

When you need access to your payroll reports there is no reason to call into a call center and wait weeks to months to receive them. We have the information that you need, when you need it: Weekly, monthly, and quarterly reports through our easy to use online portal.

## TAX MANAGEMENT

Let us do it all for you! Newtek will deposit your federal with-holdings, FICA, FUTA, state with-holding, SUI, local, and disability taxes (where applicable). Newtek will also file your quarterly and annual federal, state and unemployment returns and make sure they are done timely and accurately.

## CONCIERGE ACCOUNT SETUP

Our dedicated Business Services Specialists will stay on the phone to assist you with enrollment. You can also choose to fax or mail your company and employee information to us. We understand that your time is valuable.

## DEDICATED CUSTOMER SUPPORT

Your Business Service Specialist will continue to be there to help as you get up and running. You will have the name, direct line, and email of a dedicated customer service representative. No calling into a service center, and no waiting for the next general service representative to answer your call.

## EMPLOYEE SELF SERVICE

Include at no additional charge:

- » Employee access features
- » Username and password to a secure site for each employee
- » View and print pay stubs and payroll history
- » Works in conjunction with Newtek's HRIS system, and can be fully integrated.

## PAY CARDS

Pay cards are great for employees who do not have traditional banking relationships. The pay-card service provides greater convenience, added security, and exceptional value to cardholders. The employees can eliminate the hassle of getting a check cashed, and paying unreasonable fees to gain access to their money.

## TIME AND ATTENDANCE

We support time-clock data imported through our paygrid. If you already have the clocks, we can review to ensure support of your existing clock. If you are looking for a solution, we have a partner to make sure you have the right solution that fits your business.

# ERISA Compliance

## Carrier materials do not satisfy ERISA requirements

**Failing** to maintain ERISA required documents may result in a penalty of **\$110 PER DAY** payable to the employee or beneficiary with an excise **tax** of **\$100 PER DAY** for non-compliance.

The SPD must be provided to the employee within 90 days of being a plan participant. If a benefits professional wilfully violates any ERISA requirement; up to **\$100,000 per conviction** and/or **imprisonment time for up to ten years.**

The **fine** can be increased up to **\$500,000** if it is against a company.

## What can trigger a DOL audit?

- » Employee complaints
- » Unique information noted on Filing Form 5500 may spark interest
- » Businesses that applied for the small business tax credit; auditors obtained the list and used it to examine whether there are any unique issues.
- » Employers who are in the press or get some type of visibility, may alert an investigator to conduct an audit.
- » The IRS may simply flag an employer for no reason at all.

## Why is this important to small business owners?

- » In 2013 the DOI collected \$1.1 billion in fines and penalties
- » Non-compliance can result in thousands of dollars in penalties and remediation of the problem
- » Fines for improper/incomplete SPD's are an unnecessary distraction that takes away from you running your business.