



# PDR Newsletter

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## PDR Offers Full-Service Insurance Agency

### Business Challenge

Employers often struggle to make informed decisions on the insurance front – not only in providing a benefits package that serves to attract and retain employees, but just as importantly in selecting basic business insurances (e.g., general liability, workers comp) that best meet company needs. Overwhelmed by the complexity of it all, and often too busy to learn more on their own, business owners can make poor and potentially costly insurance decisions.

### PDR Solution

PDR has greatly expanded the size and scope of our insurance product – offering a full-service, in-house agency to best handle all the insurance needs of our clients. PDR staff have years of combined experience in the insurance field. Starting in 1994, the owners of the company were involved in introducing the first master policy retrospec-

tive program to the Utah market with American International Group (AIG) and later Fireman's Fund. PDR's senior insurance broker has spent the last three years working directly for a start up mono-line workers compensation carrier. In addition, we have increased the number of appointments with premier and national carriers (e.g., Hartford, Fidelity National, CNA, Progressive, Germantown Mutual, etc.), writing all types and lines of coverage... including General Liability, Property, Commercial Auto, Commercial Packages, Professional Liability, EPLI, DPLI, Specialty Crime, etc.

Allow us to be your one-stop source not just for payroll, HR, and benefits but also all lines of personal and business insurance. We'll analyze current coverages and recommend needed changes.



**PDR** Insurance Agency

**Learn How to Save 10-20% (even more) on Your Premiums**

### Recent Success Stories

*Day Care Company*  
\$1154 in savings

*Newspaper Publisher*  
\$2851 in savings

*Landscape Contractor*  
\$2329 in savings

*Tire and Body Shop*  
\$2021 in savings

**Contact**  
**Ben Child, 404.5241**

## Little Did You Know - Staff Member Spotlight, Lindsey Burrows

Lindsey has been with PDR for just over two years, coming to us with over 10 years of prior experience in the customer service and data entry fields. As a payroll processor, she is responsible for handling payroll and related services for 75 companies.

In her spare time, Lindsey likes to spend time with

friends and family, go to the movies, play sports, and collect DVDs. She also has a passion for old cars and motorcycles. Lindsey loves it when she and her husband (Anthony) just hop on their bikes and ride – going wherever they feel like, be it for an hour, or a day or a weekend road trip. She also is a big-time fan of vinyl records be-

cause “they sound better.” Lindsey roots for the Real Salt Lake soccer team... having been known to “Ole, Ole, Ole, Ole” her team to victory. But perhaps most important of all, she has developed a near cult-like following among PDR employees as a result of her mouth-watering homemade cookies and assorted desserts. Talk about tasty.

## Product Highlight: Payroll Advances



### Business Challenge

With a recessionary (or worse) economy, it's a growing trend: employee stress is on the rise. According to an October 2008 Associated Press-Yahoo News poll, one-third of Americans are worried about losing their jobs, half fret they will be unable to keep up with mortgage and credit card payments, and seven in 10 are anxious that their stocks and retirement investments are losing value. Many workers, facing dire financial circumstances, are asking their employers for help financially. As evidence, 20 percent of business owners say they are

receiving increased requests for pay advances... more dollars, more advances, more often.

### PDR Solution

To streamline employee access to payday loans, PDR has structured a partnership with a local third party payday loan company, Revco. The service is marketed by Revco directly to the employees of clients of ours as a payday advance. Once an employee completes the necessary paperwork and has been approved after a verification of employment, the employee is advanced the money by Revco. Per the terms of the agreement, the payback is then structured as a payroll deduction from the employee's paycheck. This ar-

range proves beneficial to all parties involved — employees of PDR client companies are able access much needed funds (at a discount) in a timely manner, and typically end up owing less (in compiled interest) due to the expedited manner in which debts typically are paid off; PDR employees are relieved from employee pressure regarding pay advances, while at the same time they (having had a role in facilitating matters with the Revco) are viewed favorably by employees, now apt to be more positive and productive (less stressed / strapped financially); Revco benefits by increasing the number of loans financed, as well as by accessing more accurate and timely employee wage information, reducing its default rate.

## Business Insight: Running a Business Isn't Easy

Since the mid-1990s, the small business sector in the United States has created 78.9 percent of the net new jobs in the United States, according to the Office of Advocacy at the Small Business Administration. All told, there are six million small businesses that have employees.

The rest are considered non-employer firms that report income from hobbies or freelance work done by their registered owners.

In Utah alone, there were an estimated 203,468 small businesses in 2004. Of the 61,118 firms with employees, an estimated 96.6 percent, or 59,025, were small firms. In 2004, the estimated number

of employer businesses increased by 4.5 percent.

But running a business isn't easy — far from it.



One study estimated that 4 in 5 business will go out of business within 5 years of starting up. Dunn and Bradstreet

recently conducted a study and determined that 90 percent of small businesses that fail do so because of a lack of skills and knowledge on the part of the owner. To avoid becoming a failure statistic, consider the following helpful hints:

New Ideas — Test every new idea against your business plan and mission statement

before deciding whether to undertake it or not, and then ask yourself, "Do I have the time and skill to implement this?"

Knowledge is Power — The absolutely, positively, most important skill that business owners can develop, without exception, is the ability to learn your market so well that you can predict what will make people react, buy and feel satisfied. Without it, you will undoubtedly fail.

Loyalty — Consumer loyalty doesn't just happen; you have to earn it. If you don't take care of your customers, your competition will. Watch your competition as closely as you do your own employees.

Weather the Storms — Never allow yourself an easy way out — because at the first sign of trouble, you'll take it. Think winning, not retreating.

*"Sometimes, the painful reality is that a business falls apart for one reason: You. In the end, when any company is suffering, there is a question every entrepreneur must ask when he or she looks in the mirror: Am I killing my own business."*

## Legal Scoop: Fair Labor Standards Act (FLSA)



Labor law is a complex area, especially the Fair Labor Standards

Act (FLSA). It is important to understand this law, and comply with it, or an employer may be putting itself at great risk of getting sued by disgruntled employees or employees who may have been taken advantage of, intentionally or not. To elaborate, of all the employment-related legal risks companies confront on a daily basis, perhaps the greatest centers on wage violations protected under FLSA. In fact, the US Department of Labor estimates that 7 in 10 compa-

nies are failing to comply with wage and hour regulations. In 2005, there were 4,039 federal wage and hour suits filed, 10 percent more than in 2004. And in 2006, such claims jumped another 4 percent. Employers can run afoul of the FLSA in several ways: for example, misclassification of employees (exempt versus non-exempt, independent contractor versus employee), inaccurate time recording / reporting, and not paying off the clock work hours. Such FLSA violations can result in multi-million dollar settlements. Because FLSA-related claims are generally excluded from employment-practices liability insurance policies, employers often are left with

little-to-no protection. As a result, due diligence of payroll practices and protocols, as well as proactive education and training, are keys to mitigating exposure — something PDR offers clients. In addition, we currently are promoting an advanced time and attendance system (i.e., Swipe-Clock; see our Sept 2008 Newsletter for more info) that further protects client companies. Employee hour and wage information becomes more accurate, more timely and more detailed — and thus more defensible if need be.



Want to Learn More?

Contact Davia King,  
PDR HR Specialist  
801.404.5241

## Industry Data and Trends: Utah Economic Snapshot, U.S. Outlook

*"U.S. economic performance will likely struggle in coming quarters before some expected improvement as 2009 matures."  
Jeff Thredgold  
Zions Bank  
Economic Consultant*

As noted in the Autumn 2008 Zions Bank's "Insight" publication, Utah's economic growth has stalled in recent months, falling victim to a nation-wide recession, minimal new home construction activity, soft home prices and high food and energy costs, and a severe downturn in the global financial markets.

Needless to say, jobs are increasingly hard to come by. Utah's unemployment rate rose to 4.9% in November 2008. Utah's home construction sector was hardest hit, with an estimated loss of nearly 15,000 jobs during the

past year. Housing starts in Utah are at their lowest level since the early 1990s. Nationally, matters are even worse. The nation's budget



deficit for FY 2008 could exceed \$400 billion. And the nation's jobless rate reached 6.7% in November, a fifteen-

year high, with the rate likely to go even higher in 2009 (with some analysts predicting over 9%). Many state unemployment insurance funds are running dry, even as President Bush recently signed emergency legislation extending benefits.

All the "gloom and doom" news aside, Utah may still find itself somewhat protected from the current downturn — a function of the state's lower costs of doing business, strong population growth, a driven and productive workforce, and a largely pro-business regulatory environment.

## Tip of the Month: New Hire Paperwork

When it comes to HR, one of the best ways to head off downstream problems is to have your new employees fill out their paperwork correctly and completely — namely: new hire information; co-

employment agreements; and federal tax (W-4) and worker verification forms (I-9). To make this process easier, PDR has produced employee packets that house all these forms in one place.



## Setting You Free to Run Your Business



Payday Resources  
3051 West Maple Loop Drive #101  
Lehi, Utah 84043

P 801.404.5241 / F 801.404.5245  
[www.pdrutah.com](http://www.pdrutah.com)



NEWS YOU CAN USE

## New Law: Utah PEO Licensing Requirements



In early 2008, Governor Jon Huntsman signed the "Professional Employer Organization Act" (H.B. 159) into law.

The bill provides added oversight to the PEO industry in the state of Utah — minimum capitalization requirements, audited financial statements, better clarification as to legal terminology and definitions, etc. The law also spells out

more clearly PEO / client roles as it relates to workers compensation and unemployment compensation.

PDR welcomes the passing of this important legislation and believes the bill will go a long way toward ensuring clients of PEO companies that they have partnered with a reputable and reliable business partner.



If interested in reading more about the new PEO licensing requirements, you can download the entire bill by visiting the state's website.

<http://le.utah.gov/~2008/bills/hbillenr/hb0159.pdf>