

Annual membership breakfast

Please mark your calendars for the Associated Industries Annual Membership Breakfast.

WHEN: Thursday, April 2, 7:30 a.m.

WHERE: Red Lion Hotel At The Park 303 North River Drive
Spokane, WA 99201



Workers' compensation increase announced

Premiums for workers' compensation insurance will go up, on average, three percent in 2009, according to the Department of Labor and Industries (L&I).

Individual employers could see their rates go up or down, depending on their recent claims history, and any changes in the frequency and cost of claims in their industry.

Insurance actuary calculations, based on anticipated injured-worker claims next year and on wage and medical inflation, indicated the need for a 6.3 percent premium increase, generating \$119 million for L&I. Instead, the decision to implement a three percent increase will generate \$57 million, with the department's contingency reserve absorbing the remaining \$62 million.

"We recognize the difficult economic environment for business and workers, and wanted to limit the increase as much as possible," said L&I Director Judy Schurke.

As part of Gov. Chris Gregoire's economic stimulus package, L&I will be working with business and labor and the Governor to evaluate whether more can be done in 2009 to help

businesses survive and workers stay employed.

"We want to do everything we can in the short term to help businesses and workers weather the economic recession," said Schurke.

With the three percent increase, average premiums will go up by approximately two cents per hour worked.

Washington's workers' compensation system is made up of three funds that provide benefits when workers are hurt on the job. The Accident Fund rate will increase 1.8 percent. Employers pay premiums into this fund. The Medical Aid Fund rate will go up by 3.2 percent, and the Supplemental Pension Fund rate will increase 7 percent. Employers and workers contribute equal premiums into the latter two funds.

Source: Business Examiner more information can be found at www.businessexaminer.com



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FACT of the MATTER:

from Associated Industries CEO/President Jim DeWalt

Once first in the world in the percentage of citizens with higher education degrees, the U.S. is now tenth.

Since 1986, college tuition has risen almost three times as fast as the median family income.

In "An Open Letter to President-Elect Obama," written recently by the Public Higher Education Leaders group, the writers estimate that 80 percent of all college students are educated at public institutions, and it's their opinion that "... public universities must remain accessible to all families, thereby providing opportunity and hope to families from all social and economic strata."

It is also widely considered that 31 of our 50 states are currently under-funded. Struggling to balance budgets while experiencing falling tax revenues, many states are cutting appropriations to postsecondary institutions. Private schools are also being squeezed, as their endowments shrink and donors grow more cautious, the group said.

Washington State is not immune to these realities as it was recently announced that our universities and community colleges should expect a \$600 million cut in funding over the next two years.

At the same time that appropriations are shrinking, according to an American Council on Education (ACE) tuition report on college pricing trends, the economic downturn has created conditions ripe for some of the biggest tuition jumps in more than a decade.

Over six months ago Associated Industries began to develop a new scholarship program, which was unveiled recently as Associated Industries Bright Promise Program. Designed to help our communities' best and brightest attain their degrees, the program will also support two of our local public institutions of higher learning - Eastern Washington University and the Community Colleges of Spokane. Applications will be available this spring and the first scholarships will be awarded for the 2009 school year.

Planning for this program, Associated Industries could not have predicted that an unprecedented economic downturn would hit campuses across the country, bringing student financial aid down while tuitions spiked to all-time highs.

As the formation of Associated Industries Bright Promise Program and Foundation take shape and funds are made available to its first recipients, it is Associated Industries' goal that the program will expand to help in meeting growing higher education needs.

If you are interested in adding to the Associated Industries Bright Promise Program scholarship fund, I would welcome your call. It's a challenging time, but together we can meet the need and ensure a bright future.

Interactive Leadership Series for Managers and Supervisors.



DATES: Feb. 20 to Apr. 24, 2009

FEE: Members: \$950
Two or more: \$850/ea.
Non-Members: \$1500

Your organization's supervisors and managers have a powerful impact on quality, productivity, teamwork, morale, safety, costs and customer service. This course includes ten half-day sessions that give new and experienced leaders greater confidence in applying leadership and communication skills.

- Interaction Skills
- Personal Effectiveness
- Stress and Time Management
- Government Regulations
- Interviewing and Selection
- Motivation and Delegation
- Coaching for Success
- Improving Employee Work Habits
- Planning and Performance Expectations
- Performance Review Skills

2008 Inland NW Compensation Survey reveals pay trends

Associated Industries has completed its 21st annual survey of wages and salaries in eastern Washington and north Idaho.

Of the participating employers, 53 percent report an increase in their starting pay for entry-level workers in the past year, and 47 percent have not. Among those who have increased entry level pay, the average increase was 4.2 percent.

Fewer employers increased pay rates for current employees above their entry level, and when they did, the percentage was lower than for entry employees.

Employers may want to consider what this compensation policy trend implies; namely, that increasing entry level pay faster and with greater frequency than for more experienced workers would seem to indicate to the workforce that it pays to switch employers regularly.

This valuable information includes wage statistics based upon:

- Ninety job titles
- Merit pay
- Vacation and holiday practices
- Health insurance contributions

For more information, or to purchase a copy of the Inland NW Compensation Survey, contact Bill Sweigert, VP of HR Training and Development, by phone at 509.777.2658 or by email at bsweigert@aiin.com.

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IRS announces 2009 standard mileage rates

Jan. 1 2009, the mileage rates for car, van, pickup or panel truck use:

- 55 cents per mile for business use
- 24 cents per mile driven for medical or relocation purposes
- 14 cents per mile driven in service for a charitable organization

Source: IRS more information can be found at www.IRS.gov

Out-of-state coverage revised for State Fund Employers

Effective with the 4th quarter of 2008, Washington State Fund employers no longer need to pay a premium to the State of Washington Department of Labor and Industries (L&I) for work performed by Washington employees in another state for more than 30 days in a calendar year. In order to take advantage of this option, the employer must:

- Provide L&I proof of out-of-state coverage for the Washington workers working out-of-state.
- Maintain out-of-state coverage from the date the that work exceeds the level of temporary and incidental work (30 or less consecutive or nonconsecutive full or partial work days within a calendar year) until they leave that state.
- File a supplemental report of out-of-state work with their quarterly report, available at www.outofstate.lni.wa.gov for the 1st quarterly reporting period and thereafter in the same calendar year following the date work exceeds the temporary and incidental period in the other state.
- Ensure each of these obligations is met in each state in where employees work.

Failure to meet all of these requirements may result in payment of premiums, penalties, and interest. *WAC § 296-17-35203(8)*. Coverage requirements vary among states.

Contact the appropriate agency in other states to determine premium and coverage obligations and contact Associated Industries' Legal department with questions.

Source: WA Department of Labor & Industries more information can be found at www.outofstate.lni.wa.gov



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