

## Maine SHRM Government Affairs Update

December 23, 2010

Happy Holidays! This is part of a series of updates to keep you up on the decisions being made on our behalf in both bodies. As I have mentioned, I am tweeting more regularly than issuing updates of this kind, so feel free to check my twitter feed at any time or to follow me if you like. So it's handy, here is all relevant contact information:

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<http://tinyurl.com/MaineSHRMLegNews> (our Maine State Government Affairs information page)

<http://twitter.com/mainelyhr> (government affairs twitter feed)

### Human Resources Professionals Day

Please save the date and encourage attendance! This will be unlike previous events with our new state leaders and initiatives, so you will not want to miss it! The event is posted at:

<http://meshrm.shrm.org/events/2011/04/professionals-day-state-house>. Our team is developing the agenda and can use your help. Please contact Sarah if you wish to volunteer to be part of this special event.

## Maine

### Executive

On December 22, Governor-Elect LePage appointed his daughter Lauren LePage to serve as assistant to the governor's chief of staff, John McGough. Other recent appointments include: Dan Demerit as director of communications and legislative affairs, Dan Billings as chief legal counsel and John Butera as senior policy adviser for economic development.

### Legislature

On December 22, the Legislative Leadership announced the member assignments to all Maine's 125<sup>th</sup> legislature's joint committees. With committees of particular interest to HR professionals in italics, here is a full list of committee co-chair assignments:

<b><i>Labor, Commerce, Research and Economic Development</i></b> <b><i>Sen. Christopher Rector</i></b> <b><i>Rep. Kerri Prescott</i></b>	<b><i>Environment and Natural Resources</i></b> Sen. Tom Saviello Rep. Jim Hamper	<b><i>Marine Resources</i></b> Sen. Lois Snowe-Mello Rep. Windol Weaver
<b><i>Agriculture, Conservation and Forestry</i></b> Sen. Roger Sherman Rep. Peter Edgecomb	<b><i>Government Oversight</i></b> Sen. Roger Katz Rep. David C. Burns	<b><i>State and Local Government</i></b> Sen. Doug Thomas Rep. H. David Cotta
<b><i>Appropriations and Financial Affairs</i></b> Sen. Richard Rosen Rep. Patrick Flood	<b><i>Health and Human Services</i></b> Sen. Earle McCormick Rep. Meredith Strang Burgess	<b><i>Taxation</i></b> Sen. A. David Trahan Rep. L. Gary Knight
<b><i>Criminal Justice and Public Safety</i></b> Sen. Garrett Mason Rep. Gary Plummer	<b><i>Inland Fisheries and Wildlife</i></b> Sen. Thomas Martin, Jr. Rep. Paul Davis, Sr.	<b><i>Transportation</i></b> Sen. Ronald Collins Rep. Richard Cebra
<b><i>Education and Cultural Affairs</i></b> Sen. Brian Langley Rep. David Richardson	<b><i>Insurance and Financial Services</i></b> <b><i>Sen. Rodney Whitemore</i></b> <b><i>Rep. Wesley Richardson</i></b>	<b><i>Veterans and Legal Affairs</i></b> Sen. Nichi Farnham Rep. Michael Beaulieu
<b><i>Energy, Utilities and Technology</i></b> Sen. Mike Thibodeau Rep. Stacey Fitts	<b><i>Judiciary</i></b> Sen. David Hastings III Rep. Joan Nass	<b><i>Regulatory Fairness and Reform</i></b> <b><i>Sen. Jonathan Courtney</i></b> <b><i>Rep. Jonathan McKane</i></b>

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The Full Labor, Commerce, Research & Economic Development Committee can be found here:

[http://www.maine.gov/legis/house/jt\\_com/lce.htm](http://www.maine.gov/legis/house/jt_com/lce.htm)

All the committee assignments can be found here: <http://www.maine.gov/legis/house/jtcomlst.htm>

When asked about the appointment of committee chairs, Speaker Nutting said, "I think selecting the chairs is very important because they set a tone for whole committee. You do take into account the geographical locations, you take into account their seniority and their experience on those committees, their temperament, their willingness to serve on those committees. So there's a whole range of criteria that we use to pick our chairs." Much more can be found in A.J. Higgins's MPBN report here: <http://www.mpbn.net/Home/tabid/36/ctl/ViewItem/mid/3478/ItemId/14607/Default.aspx>

Another report on the assignments from the *Bangor Daily News*:

<http://new.bangordailynews.com/2010/12/22/politics/legislative-committee-assignments-made/#>

It will be most helpful if you have a relationship with anyone on these key committees. We'd love to hear from you as we plan for Human Resources Professionals Day and so that we might weigh in on issues of importance to our profession and our workplaces. Please let Sarah know if you would like to help put a face on HR in the 125<sup>th</sup> ME legislature.

## US

The 111<sup>th</sup> Congress ended with several key bills becoming law before the President flew to Hawaii for the holiday. Here is a summary:

- The compromise tax bill that extended unemployment benefits for the long-term unemployed and extended the Bush era tax cuts was into law by President Obama. This included the extension of Section 127 benefits, fought long and hard for by our fellow SHRM members across the country. While SHRM hoped for this to be extended without sunset, the tax law is for two years only. In case you missed it, here is an excerpt from a SHRM alert on the topic:
  - **Section 127, Employer-Provided Education Assistance** – Allows employees to use up to \$5,250 in employer-provided tuition assistance – tax-free – for graduate, undergraduate or certificate level education and training. **NOTE:** This is an important victory for SHRM and the coalition it led to extend Section 127.
  - **Deductible Education Expenses** – Allows assistance from certain scholarship programs to be excluded from income. Qualified tuition reductions for certain education provided to employees are also excludable from income.
  - **Federal Unemployment Benefits** – Extends benefits for an additional 13 months, through December 2011, and maintains the current cap of 99 weeks of total benefits.
  - **Employer-Provided Child Care Credit** – Allows a credit of 25 percent for childcare expenses and 10 percent for child care resources (not totaling more than \$150,000) for acquiring, constructing, rehabilitating or expanding property which is used for a child care facility.
  - **"Make Work Pay" Credit** – Terminates the credit and replaces it with a 1-year payroll tax reduction that will reduce the employee share of the FICA payroll tax by almost one-third, by 2 percentage points – down to 4.2 percent. For IRS guidance regarding the 2011 payroll tax table, please click [HERE](#).
  - **Expansion of Employer-Provided Mass Transit and Parking Benefits** – Allows employers to reimburse employees for transit-related fringe benefits up to \$230 per month.
  - **Employer Wage Credit for Active Military Reservists** – Provides eligible small business employers (employers with 50 or fewer employees) with a credit against the taxpayer's income tax liability for a taxable year in an amount equal to 20 percent of the sum of differential wage payments to activated military reservists.
  - **Employer Adoption Tax Credit** – Allows employers to exclude from income adoption expenses paid by an employer. The EGTRRA increases the credit from \$5,000 (\$6,000 for a special needs child) to \$10,000, and

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provides a \$10,000 income exclusion for employer-assistance programs. The Patient Protection and Affordable Care Act of 2010 extends these benefits to 2011 and makes the credit refundable.

- **Work Opportunity Tax Credit (WOTC)** – Allows employers to claim a work opportunity tax credit equal to 40 percent of the first \$6,000 of wages paid to new hires of one of nine targeted groups. These groups include members of families receiving benefits under the Temporary Assistance to Needy Families (TANF) program, qualified veterans, designated community residents, and others.
- The repeal of Don't Ask Don't Tell (**DADT**);
- The DREAM Act (path to citizenship for those who come to US illegally as children) did NOT advance, but President Obama has already added a similar measure to his wish list for next Congress.
- START (new strategic arms treaty), the 9/11 first responder's bill and a spending bill to keep the government in business into 2011 all passed after much wrangling and debate.

There continues to be much afoot with agency rulemaking and we will do our best to alert you to this in the coming months. **Of particular note**, the IRS issued Notice 2011-1, delaying the effective date of the new Health Care Reform requirement that grandfathered insured health plans meet the same nondiscrimination rules applicable to self-funded plans. This delay was due to the fact that the IRS has not yet provided guidance as to how the insured rules are similar (or not) to the self-insured rules. This will be important to all employers offering health plans so it certainly bears watching.