



# NEBA News

www.NEbusiness.org

March-April 2007

## New NEBA Website!

We encourage all business owners to check out our new, revised, North East Business Association website. You may visit the new site at [www.NEbusiness.org](http://www.NEbusiness.org).

Our new website address "NEBusiness" really has two meanings: "ne" stands for north-east and also for the fact that "any" business is welcome in our organization, not just those located in northeast Tallahassee. The North East Business Association (NEBA) is a diverse group of business professionals, retailers and restaurateurs, who

originally united for the common good of those businesses located primarily in the northeast section of Tallahassee. Eventually, NEBA absorbed the membership of the Eastside Business Association, and today at over 100 members strong, NEBA welcomes businesses from every quadrant of Tallahassee.

Our mission is to enhance Tallahassee's business climate by advancing the interests of small business owners with state and local government officials and to promote local commerce through networking with other business owners and education of our members.

The new website lists board members, events and upcoming programs, as well as current and archived NEBA newsletters. Also, our NEBA members will find their business address and phone numbers listed for easy referrals. There is also a membership application online.

We wish to thank Board member Nancy Burns for her work to make the new website become a reality and Curt Heshner at CURTECH Computer Services for his services in creating and maintaining the site.

## Miss A Meeting- You Are Missing A Lot!

In the earlier months of this year, NEBA has had some very informative speakers. January featured Robin Safley from the weekly television show "The Usual Suspects". Randy Hanna, Chairman of the Greater Tallahassee Chamber of Commerce gave us a Chamber 2007 forecast in February. Both programs were

interesting and enlightening.

We schedule these informative meetings in an effort to help you make informed decisions. You owe it to yourself and our community to attend these meetings!

Please pay attention to your e-mails or visit our new website for the monthly calendar and attend our monthly meetings so you don't miss the

action...See you at Lucy Ho's!

### *Inside this issue...*

**Retirement Contributions**  
.....page 2

**Workmen's Comp Savings**  
.....page 3

**Calendar..... page 4**

## North East Business Association

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## NEBA News

### Editors:

**Maureen Thompson- Media Options-**

**Nancy Burns- Leon Co. Sheriff's Office**

The North East Business Association publishes NEBA News bi-monthly. Articles of interest are welcome.

Publication of submitted materials is subject to review and space available. Article deadline is the 1st day of the month of publication.

Send articles, letters, photos or suggestions to: NEBA News at the following email addresses: burns@leoncountyfl.gov or maureen@mediaoptionsinc.com. or FAX-850-893-4097.

For additional information phone Maureen Thompson at 850-668-0948 or Nancy Burns at 850-922-3331

# Your Retirement Contributions – Small Or Large – Add Up

**by: Alan Null  
Waddell and Reed Senior  
Financial Advisor**

Many people have retirement accounts such as IRAs and 401(k) plans, but not everyone takes full advantage of them by making the maximum annual contributions. If you are one of the few who does, good for you. If not, and if you'd like to contribute the maximum, but don't feel you can manage to set aside that much, consider this approach: Increase your contributions a step at a time. In time, you'll be making the maximum contribution and making better use of your retirement accounts.

### Every step makes a difference

You might think you should wait until you can manage a substantial increase in your contribution amount before you actually make the change. However, any additional amount you can contribute, no matter how modest, has the potential to make a significant difference in your retirement account's accumulation potential.

Suppose for example, that you presently contribute \$1,000 per year to an IRA that earns a hypothetical 7 percent average annual return, and that your current IRA balance is \$25,000.

If you continue contributing \$1,000 annually, your account will grow to \$134,278 in 20 years. Now suppose you increase your contribution by just \$200 each year (which is less than \$17 per month), contributing \$1,200 this year, \$1,400 next year, and so on through the next 20 years, by which time you would be contributing \$5,000 annually. At the end of 20 years, your account balance would be \$207,238.

### Other benefits

Most retirement accounts offer tax advantages. So the more you contribute, the more you may benefit from the favorable tax treatment of your retirement vehicles. Also, increasing contributions may help you make up for lost time if you started saving for retirement relatively late, or if you seek to help rebuild account balances that may have been diminished during the market struggles of the past few years.

### Design your stepping strategy

Whether your retirement is around the corner or decades away, the more you contribute toward it now, the more you may help enhance your potential for a financially comfortable future.

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# Employee Risk Management: Reduce Your Workers' Compensation Costs

As work environments become safer, the number of workers' compensation claims continues to decline. At the same time, the cost per claim has risen 27 percent in the last four years, making the business costs substantial. Along with death and taxes, workers' compensation is something that every small business owner with employees must deal with.

The 2006 U.S. Department of Labor's Bureau of Labor Statistics shows that businesses spend an average of \$26.86 per hour for each employee. This includes salary, as well as benefit expenses such as health insurance, vacation time, and workers' compensation benefits. Overall, 70.1 percent (or \$18.83) of the hourly compensation given to employees goes toward salary, and 29.9 percent (\$8.03) goes toward benefits, with 1.8 percent (\$0.14) of that benefit percentage making its way to workers' compensation. Although 14 cents an hour doesn't sound like much, it adds up over time and can severely impact your business expenses, particularly if this per-hour amount increases.

This figure of 1.8 percent is an average; some rates are higher and some are lower. Job classification is the main factor determining the cost of your premiums. Roofers and construction people, who work around heavy equipment, have the highest risks, whereas office workers have the lowest risk. The basic rates for each job classification are set by each individual state, but there are

more guidelines for insurance carriers to follow than there are rules. The workers' compensation insurance premium is negotiated between the business and the insurance carrier and can be increased or reduced depending on other factors that insurance companies consider when calculating workers' compensation premiums. These other factors include:

## **Pre-Claims Programs**

- Level of employee health insurance offered by the employer
- Performance of regular safety checks
- Encouragement and reinforcement of safe working behavior in employees
- Emphasis on the use of safety procedures and proper equipment
- Instruction manuals that detail safety procedures
- Promotion of effective new hire selection processes
- Employee education and training
- Management accountability
- Elimination of employee risk taking

**Post-Claims Programs**

- Employer's safety record
- Elimination of hazards that cause injuries
- Consistent internal policies and medical referral procedures
- Return-to-work programs

By working with your risk management insurance carrier, you can implement both pre- and post-claims programs that will reduce your workers' compensation costs overall. Besides implementing procedures that make your business a more desirable client in terms of insurance rates, you can save even more on your risk management costs by

implementing the following practices:

- Divide or reclassify an employee's payroll designation when an employee does more than one job. If an employee on a construction job worked as a roofer for half a day and then worked in the office for the other half, you might want divide his or her classification so that it accurately reflects the job. This will help you save money on premiums.
- When paying an employee time-and-a-half for overtime, you may only have to report the regular wages, decreasing the amount of payroll that determines your insurance premiums.
- Rising workers' compensation costs are primarily due to increased use of benefits and longer duration of disability. The more time an employee spends on disability, the more wage replacement and medical services increase in cost. Implement programs that bring workers back into the workforce at a faster rate, even if it means bringing them back part time or in a limited capacity.
- Look for a pattern to claims. Do some locations or areas in your business have fewer claims than others? Determine the reason why. Reducing the number of workers' compensation claims gives your business a better safety record. This makes you a much better risk to an insurance company, making it more likely they will give you better rates in the long run. Overall, this is the best way to reduce your risk management expenses.

**Source: Allbusiness.com**

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# Calendar

**NEBA meetings are held on the second Tuesday of each month at Lucy Ho's- 1700 Halstead Blvd. from 1:00 p.m.- 2:00 p.m. Cost is \$9.00 per person**

**May 8-** Christopher Campbell- CEO of Vision 2020

**June 12-** TBA (Check our website for updates)

**July 10-** Dominic Calabro – President of Florida Tax Watch

## An Invitation To Join NEBA

If you are a business owner anywhere in the Tallahassee area, you are invited to join and support our organization. We are particularly interested in active people who are willing to devote some time to the association.

Remember, investing time in your business organization is an investment in yourself! We need everyone's help to make this group one of the leading business organizations in Tallahassee. Annual dues are \$35 per year payable in July.

You may visit our website at [NEbusiness.org](http://NEbusiness.org) and download an application. For other inquiries contact:

**Peggy Munroe**  
c/o Mays Munroe, Inc.  
2791 Capital Circle NE  
Tallahassee, FL 32308  
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Please Join Us! We look forward to welcoming you to the North East Business Association.

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