

A Brief Introduction to the POWER of the

# Federal Act S479, Known as Small Business Efficiency Act

Calendar No. 279

110TH CONGRESS  
1ST SESSION

**S. 479**

**Report No. 110-132**

To reduce the incidence of suicide among veterans.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 1, 2007

Mr. HARKIN (for himself, Mr. GRASSLEY, Mr. ROCKEFELLER, Ms. SNOWE, Mr. DURBIN, Mr. SMITH, Mr. LAUTENBERG, Mr. THUNE, Mr. KERRY, Mr. BROWNBACK, Mr. SCHUMER, Ms. KLOBUCHAR, Mr. REID, Mr. BROWN, Mrs. CLINTON, Mr. VOINOVICH, Mr. COLEMAN, Ms. CANTWELL, Mr. CHAMBLISS, Mr. BAUCUS, Mr. DOMENICI, Mr. WHITEHOUSE, Mr. OBAMA, Mrs. MURRAY, Mr. DORGAN, Mrs. LINCOLN, Mr. AKAKA, Mr. JOHNSON, Mr. STEVENS, Ms. MIKULSKI, Mr. BIDEN, and Mr. ENZI) introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

JULY 23, 2007

Reported by Mr. Akaka, without amendment

## What kind of companies take advantage of this plan?

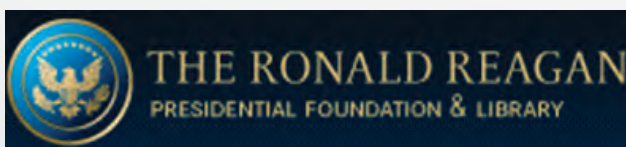
Over 130,000 employers in the United States take advantage of this program including, but not limited to, such firms as:



TIFFANY & Co.



freshdirect



GARMIN™

## What is S.479?



### The Background

Before this legislation, large company buying groups were assisting small and medium sized firms in operating better by sharing Fortune 500 type tools and access to lower cost, products and services. These options were offered to both member companies and to their employees. However under the existing tax code at the time, it was unclear whether these larger employer groups could actually offer some of these advantages to their member groups or to their employees, since they were not actually part of them. In addition to this it was unclear that if certain liabilities occurred, who would the responsible party for these liabilities be - including any penalties and fines that may be incurred.

### The purpose

This act was to create a certainty and clarity regarding the **I.R.S., O.S.H.A., E.E.O.C.** and **D.O.L.** positions surrounding these questions. Employers that joined these 479 organizations needed unambiguous comfort of the protections afforded by these programs. This congressional approval of Act 479 has now made it clear that the advantages of these buying groups are codified and real.

## What is S.479?



### The ultimate goal

479 was to provide additional options, tools and processes for American businesses to be more competitive and efficient. In fact, the actual name of the act is **The Small Business Efficiency Act**.

### How was this accomplished?

The ACT now clearly allows certified 479 organizations to literally share their E.I.N. number (their Employer Tax Identification Number) with member employers. By doing this the larger group becomes liable as the employer of record for tax and other liability purposes, including employer tax liabilities, for the smaller member groups.





## What is S.479?

### This transfer and the acceptance of these liabilities to the 479 plans:

Include all the penalties, fines and lawsuits as any employer would have --encompassing a range of business risks from sexual harassment and discrimination lawsuits, to wage payment improprieties and even extends to situations in which the owners and executives may be personally liable as officers and fiduciaries, etc. Furthermore, this 'sharing' of the **E.I.N.** now allows the smaller groups to access the buying power and technology systems of these larger groups - for instance this often, but not always, can dramatically reduce the cost of health benefits, worker's comp benefits, and cost of **HRIS systems, payroll, time and attendance systems, paperless on-boarding, etc.**



### The Effects

So far over **130,000** small employers have joined one of the **900 Certified 479 programs** across the United States, representing approximately three million employees. In addition to this Federal Act that helps American Businesses, several States have also passed **STATUTES** that mirror the Federal Act.

## About SBE479.ORG



**SBE479.ORG** is a community outreach organization paid by and sponsored by certain approved and certified 479 providers. Our function is help make small and medium sized businesses become aware of this fundamentally important and potentially game changing legislation. It was passed by Congress for a good reason - **to make American Businesses more competitive and more profitable by reducing risk to owners, liabilities and red tape to small and medium companies, and to do things you just couldn't do before this law. These advantages stem from a very simple concept – allow smaller business access the buying power and systems of larger companies and to also allow you to actually relieve yourselves of various liabilities and responsibilities. Make no mistake about this – it is important.**

But like so many important things, who really has the time to explore them when you are running a business and you and your people are struggling with things that just waste your time, are distracting, inefficient and expensive.



## About SBE479.ORG

Our job is to call your attention to this opportunity so you will realize this is one of those meetings you should take. These meetings aren't from sales people selling you on saving 5 cents on a copy or 2% on whatever. This is about truly increasing your net buy over \$1,453 per employee, increasing your sales by 11% on the average, and even being happier.

“ Your time is valuable and this is potentially very important, so we also act as moderator and concierge for you ”

Remember it was so meaningful that it is one of the few things our Congress agreed on.

Another function of [SBE479.org](https://SBE479.org) is to learn enough about your business to direct the most appropriate 479 firm to you at that appointment. Your time is valuable and this is potentially very important, so we also act as moderator and concierge for you.

There are a number of these firms each having different rules, styles, targets and specialties, and who has time to meet with a bunch of companies, even if they are all great?

Another function [SBE479.org](https://SBE479.org) provides are pre-negotiated discounts and rates for our groups.

## Features of SBE479 Programs

### Features say it all



- Relief of liabilities including penalties and fines from **DOL, OSHA, EEOC, AND OTHER GOVERNMENT AGENCIES.**
- “Who you gonna call when you are audited by the **DOL**” – 479 organizations take care of this.
- Reduction of Worker’s Compensation up to 30% and in some cases dividend eligible even for small groups.
- Reduction of Group Health Insurance Premiums on the average 16%(that is an average of \$1,276 an employee every year).
- Lower Group Insurance Renewals - averaging 4% to 5%.





## Features of SBE479 Programs

- Ability to provide other Fortune 500 benefits without administration.
- Decreased employee turnover by 23% according to industry averages.



- 50% higher survival rate of startups who use these programs.
- Access to integrated operating systems that increase efficiencies, reduce wasted busy work, reduce liabilities, and reduce costs directly and indirectly.
- Provides better buying power and negotiation leverage for various services by accessing larger buying group.
- Provides business owners additional sleep insurance by transferring and sharing the fiduciary liabilities that often can pierce the corporate veil.



## Most Frequently Asked Questions



### Why haven't I heard about this program?

From my P&C broker, from my health insurance broker, from my payroll company, or in front of my outside counsel?

**Why do you think?** The truth is this act provides all these programs through one organization, one vendor, and it is not them and they cannot do it all. They can't provide lower rates with carriers because of the ACA and carrier rules – these organizations can. They cannot and certainly would not accept your liabilities, pay penalties and fines, or defend you and your company in litigation. These organizations can and do. So if you were them, would you tell your customers about a solution in which you would lose your fees, commissions, premiums etc?, This **ACT answers those questions for you!** This is disruptive to them the way Uber is disruptive to the Taxi and Limousine Industry and Amazon is to brick-and-mortar retail.

## Most Frequently Asked Questions



## It Just Seems Too Good To Be True. What's the Catch?

The programs are restricted to certain eligible companies?

In order to qualify for these savings and services, each Member Company **MUST** meet the following requirements:

- You must have more than 12 full-time employees working over 30 hours a week.
- The average salary must be over **\$23,000** for those employees.
- Your company must be in business for more than three years.
- Your company must be headquartered in **Pennsylvania OR New Jersey** (though employees may be located anywhere, including internationally).
- Your company must not be in one of the **restricted industries**.

\*Note: to be underwritten for this select risk pool there are NO individual underwriting questions like with several other plans.

## Additional Points and Questions to consider:

### Are you complying with all these Acts?

- Age Discrimination in Employment Act ("ADEA")
- Americans with Disabilities Act ("ADA")
- Title VII of the Civil Rights Act of 1964 as amended (Equal Employment Opportunity laws) ("EEO")
- Equal Pay Act ("EPA")
- Consumer Credit Protection Act ("CCPA")
- Fair Credit Reporting Act ("FCRA")
- Consolidated Omnibus Budget Reconciliation Act ("COBRA")
- Employee Retirement Income Security Act ("ERISA")



## Additional Points and Questions to consider:



- Family and Medical Leave Act ("FMLA")
- Genetic Information Nondiscrimination Act ("GINA")
- Patient Protection and Affordable Care Act ("PPACA" or the "Healthcare Reform Act")
- Fair Labor Standards Act ("FLSA")
- Immigration Reform and Control Act ("IRCA")
- Occupational Safety and Health Act ("OSHA")
- Uniform Services Employment and Reemployment Rights Act ("USERRA")
- Worker Adjustment and Retraining Notification Act ("WARN")
- State and local laws and regulations







Don't let this opportunity by pass your company and your family.  
call us or link here for more information now.

<http://sbe479.org/contact-us/>