

TRANSITION STRATEGIES, LLC

SUCCEED in ways you never thought possible

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SPRING 2009

Dear Clients and Friends:

We often help employees deal with toxic co-workers. In an atmosphere of layoff fear & workplace insecurity, a new phenomenon is developing: some people may be willing to go so far as to *manufacture* a crisis in the workplace solely for the purpose of “coming to the rescue” and thus situating themselves as problem solvers that the company cannot afford to lose. The phenomenon, has been dubbed “Munchausen at Work,” named after the psychological disorder in which individuals seek attention by fabricating an illness or inducing sickness in others.

Employees exhibiting signs of this phenomenon may include those who are constantly involved in identifying and fighting “fires,” consistently resistant and antagonistic to offers of help from coworkers and management, unusually hesitant to discuss the underlying details leading up to the crisis, or repeatedly at odds with others’ versions of events. Learning to protect your job while navigating around these individuals can be a daunting task, one that requires careful consideration and strategic counseling.

We all know that the “indispensable” employee has the best chance of keeping his job in an economic downturn. Be cautious of these “office



heroes” and seek help right away if you find yourself caught in their web..

Best Regards,

A handwritten signature in dark ink, appearing to read "Robin Bond".

Robin Bond, Esq.

Words of Wisdom

Trouble rides a fast horse.

Just when the caterpillar thought the world was over, it became a butterfly.

Even if you're on the right track, you'll get run over if you just sit there.

Take risks—if you win, you'll be glad. If you lose, you'll be wise.

Our Mission:

We are agents for executives and other professionals.

~ ~ ~
We create negotiating strategies for *your* success.

- ~ ~ ~
- ◆ Severance packages
 - ◆ New job offers
 - ◆ Employment agreements
 - ◆ Any career crisis

~ ~ ~
We make deals *happen.*

Lilly Ledbetter Fair Pay Act

President Barack Obama has signed the Lilly Ledbetter Fair Pay Act, which allows workers more time to take their pay discrimination cases to court.

The new law is named for Lilly Ledbetter, the 70-year-old Alabama woman who worked for 19 years at a Goodyear Tire & Rubber plant, making far less than her male coworkers. She only learned of the pay difference towards the end of her career, and then filed a pay discrimination lawsuit. In 2007, the U.S. Supreme Court held that her claim was too late, and that workers had to file a discrimination claim within 180 days of a company's initial decision to engage in pay discrimination. As a result, Ms. Ledbetter was denied her claim for more than \$200,000 in salary, plus her pension and Social Security losses. The new law overturns this case. Here is what it says:

- ◆ Each new discriminatory paycheck now extends by 180 days the amount of time that a person has to bring a claim of discrimination. This means if you don't learn about unequal treatment that has been going on for a long time, you can still seek justice.
- ◆ The law also applies to discrimination based on race, religion, national origin, disability and age, not just to gender.

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New COBRA Benefits

On February 17, 2009, President Obama signed The American Recovery and Reinvestment Act of 2009 (ARRA) into law, providing for, among other things, health care premium reductions and additional election opportunities for health benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, commonly called COBRA.

Eligible individuals (those who are terminated or laid off between 9/1/08 and 12/31/09) pay only 35 percent of their COBRA premiums and the remaining 65 percent is reimbursed to the coverage provider (usually the employer) through a tax credit. The premium reduction applies to periods of health coverage beginning on or after February 17, 2009 and lasts for up to nine months for those eligible for COBRA.

Some notable exceptions apply: employees terminated for gross misconduct are not eligible for the subsidy; highly compensated employees (\$125K individually and \$250K for couples filing jointly) are subject to recapture limits; flexible spending accounts are excluded; and employees eligible for other group coverage (i.e., through a working spouse) can't use the subsidy, even if the other group coverage is far inferior to the COBRA subsidized programs.

New forms and deadlines apply to the ARRA and employers are scrambling to fulfill their administrative responsibilities to avoid non-compliance. Without a doubt, the new act provides some much needed relief to those in transition.

New Dynamics of Executive Compensation

With unemployment at record levels, more than double that of only two years ago, there is a perception that it is strictly a "buyer's market" for executive talent. We are finding that is not the case. Companies realize that it is very expensive to make bad hires, and that it is still not easy to hire stars. Part of our strategy in working with clients is to focus on how our clients can and will create value for the company to take it to the next level. When a company selects you for a position, generally it is willing to engage in a dialogue about the final terms of the offer. It becomes our responsibility to help you justify to the company the benefits that it will receive in exchange for the favorable pay and perquisite packages we want to negotiate. Past achievements that demonstrate technical and financial savvy, interpersonal relationship and leadership skills, integrity and work ethic are all important parts of the equation.

There are significant developments in the area of executive compensation — many more than we can cover in this newsletter. On May 14, 2009, from 11:30a.m.—12:30p.m. Eastern time, Robin Bond will present a webinar on "Negotiating Pay, Perqs and Protections in the New Economy" for Villanova University's executive MBA program. You can register for this program at: <https://www2.gotomeeting.com/register/835066467>.

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Pennsylvania Wiretap Law

Wiretapping has had a prominent place in the media in recent years. Be certain that you are aware of your rights, and limitations, based on your state legislation related to wiretaps. Also, be mindful that federal wiretap laws may also apply, specifically the Federal Wiretap Act and the Electronic Communications Privacy Act.

Pennsylvania's Wiretapping and Electronic Surveillance and Control Act makes non-consensual wiretapping and electronic surveillance illegal. It is a "two-party consent" law, requiring that all parties to a conversation consent to being intercepted or recorded.

While certain exceptions exist for law enforcement officials and confidential informants, the act limits the use of any intercepted information in court to specific circumstances and allows an aggrieved person to exclude the intercepted communication if the interception violates the act.

The bottom line is that you should not tape any conversation unless you have express permission of all parties involved.

In the News

Robin Bond is featured in Barbara Kiviat's Time magazine article about how employees can negotiate more favorable severance packages. She discusses workplace trends as the economic slump persists, and how the need for negotiation is more critical than ever. Published in the March 30, 2009 issue, the full article can be found online here: <http://www.time.com/time/business/article/0,8599,1888392,00.html>.

Also, keep an eye out for Robin, who will be appearing on the following upcoming television broadcasts:

- ◆ Fox News, "The Strategy Room" on Thursday, April 29, 2009, at 11a.m. (Eastern).
- ◆ truTV's live trial coverage, "The Best Defense," on Thursday, April 30 between 11:00 a.m. and 1:00 p.m. (Eastern).
- ◆ CNN Evening Headline News on Thursday, April 30. (Eastern).

Appearances and publications are updated at www.robinbond.com and on www.transition-strategies.com