



'No comment' standard reply for references

By Mary Rodrique
staff writer

Good references, the stamp of approval that diligent workers confidently carried to job interviews, are becoming a thing of the past.

Whether a worker has performed exceptionally well or poorly, personnel departments are refusing to give prospective employers little more than a former worker's name, rank and serial number.

Companies are fearful of becoming part of a growing trend — namely being dragged into court by defamation lawsuits. What they have or haven't said about an employee or a former employee has proved damaging, especially if the person is denied a job because of it.

Discussion with a handful of businesspeople locally reveals that the trend here among employers is to say as little as possible about former employees.

John Sitarski, vice president for human resources at the Farmington Hills-based Alexander Hamilton Life Insurance Co., which employs over 700 people, is typical.

"You're betwixt and between," he said. "If you recommend someone highly and the employee doesn't work out, the employer gets mad at us. They think we gave them a bum steer. If, on the other hand, you say, 'Look, Sue is a good internal auditor but I don't think she'll work out in your payroll department,' then Sue gets mad at us."

"(Opinion) isn't worth the powder to blow from here to heaven."

Sitarski thinks employers should look at an applicant's education and job experience to determine if the individual will fit into their organization, "not whether or not they did a good job elsewhere."

"I rarely do a background check."

he added. "(Personnel departments) are rarely going to tell me what I really want to know. If there's magic between us, if (the applicant) has the skills I need and passes some tests, they're in."

EACH COMPANY sets its own policy. Edith Davis, personnel director for the city of Livonia, says prospective employers must give her a signed, notarized release from the prospective employee.

"Then we release the information if the former employee has no objection. Generally a prospective employer sends us a standard form. They want to know dates of employment, classification of jobs, starting and ending salary."

The city, which employs 650 full-time and several hundred seasonal part-time workers, complies if it has the signed release waiver from the individual in question.

Mel Albrite, manager of salaried personnel for Ford Motor Co. operations in Livonia, which includes 1,700 workers in the transmission plant and chassis division, says the personnel policy there has been in place for 30 years.

"We'll respond with the type of termination — retirement, voluntary or involuntary. And we'll answer the question 'Would you consider this person for rehiring?' Most of the time, the answer is yes, we'd consider them again. It doesn't mean we'd necessarily hire them again."

Albrite says the policy is much the same for Ford's hourly workers in Livonia, which number 3,400.

Betty Roame, personnel spokeswoman for Schoolcraft Community College, says the Livonia school has no written policy regarding releases.

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TELEPHONE PRE-EMPLOYMENT REFERENCE CHECK GUIDE

APPLICANT: Name _____ Doc. Ser. Number _____

CANDIDATE FOR: Job Title _____

DATE OF REF. CHECK: _____ CHECKED BY: _____

PREVIOUS EMPLOYER: COMPANY NAME _____
ADDRESS: No. _____ Street _____ City _____ State _____
PERSON TALKED TO: Name _____

INTRODUCE YOURSELF BY: (Name of applicant) has applied to _____ (Name of prospective employer) for the position of _____ (Job Title). You have time to ask _____ (Number of days) questions. Do you have any questions? YES _____ NO _____

2. _____ (Name of applicant) was from _____ (City) to _____ (City) from _____ (Date) to _____ (Date). If not, show correct dates: from _____ (Date) to _____ (Date).

3. What was applicant's job when starting to work for you? _____

4. What was applicant's job when leaving? _____

5. Applicant states earnings of \$ _____ per _____ (Month). Is that correct? YES _____ NO _____
If not, show actual rate \$ _____ per _____ (Month).

6. What did you think of the quality of applicant's work? _____

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Employers, fearful of lawsuits, are reluctant to answer questions regarding an employee's job performance, salary and personal traits. Some employers will verify employment dates and nothing more.

Personnel's 'Catch-22'

Not all personnel departments are mum on former employees' work habits.

Mike Burns, manager of research services and staff counsel for the Southfield-based American Society of Employers, said the association publishes an annual directory geared to member employers helping each other out.

Despite the trend toward more litigation by workers who believe their character has been defamed by a former employer, Burns said companies still need information about prospective workers.

"It's a Catch-22 situation," he said. "Employers don't want to give out information because of lawsuits; on the other hand, the prospective employer needs it."

BURNS SAID the society encourages members to spread the word about good workers. About 85 percent of the society's membership is comprised of companies that employ less than 500 workers.

Burns' advice to employers seeking information on applicants:

- Include a waiver with the employment application. Thus the applicant automatically signs over the right of the hiring company to probe into his background. Many employee applications already have waivers that release both parties from liability.

- Make sure the information you communicate is true. Truth is a defense.

"(The society) doesn't give advice on how to evaluate," he said. "If the candidate is bad, just give his name, rank and serial number. If he's good, nothing you say can hurt."

But at least one labor law attorney believes employers should stick to the basics to be safe.

Dwight Vincent, an attorney with the Detroit firm of Clark, Klein and Beaumont, says an applicant's signed waiver doesn't protect an employer if the applicant is labeled.

"We advise an employer to give length of service, period. Nothing beyond that."

Answers to taxing issues

The countdown to April 15 has begun. To help you get a fix on your tax situation, the Michigan Association of CPAs has supplied the answers to some of the most commonly asked questions on 1988 taxes.

• Have the tax rules changed since last year?

Yes. Remember that last year served as a transition between tax systems. In 1988, several tax reform rules become fully effective for the first time while others continue to phase in. Also, this year's tax rates have changed.

• What are the new tax rates?

Basically, there are two tax brackets for 1988: 15 percent and 28 percent. But the benefit of the 15-percent tax bracket phases out for single taxpayers earning \$43,150-\$85,560 and married taxpayers earning \$71,900-\$149,250. These people pay a 5-percent surtax, making their top tax rate 33 percent.

• Has the personal exemption increased?

Yes. In 1988, the personal exemption increases by \$50 to \$1,950. One note of caution: If you can claim an exemption for your child or any other dependent, that person may not claim his or her own exemption.

• How much can I claim as a standard deduction on my 1988 tax return if I'm not itemizing?

For married couples filing jointly, the standard deduction is now \$5,000. Single taxpayers can deduct \$3,000, and heads of household may claim a deduction of \$4,000.

• Does the standard deduction increase for taxpayers who are either blind or 65 or older?

Yes. These taxpayers are entitled to an extra standard deduction of \$600 each if married and \$300 if single. The amount doubles for anyone who is both elderly and blind.

• How do I know whether it pays to itemize?

A simple test can help you make the right decision. Add up your itemized expenses. If they total more than your standard deduction, you should probably itemize.

• Can I still make and deduct IRA contributions?

As long as you (and your spouse) do not actively participate in an employer-sponsored retirement plan, you are still entitled to the full IRA deduction.

• What if I do participate in a retirement plan?

If you or your spouse participate in a retirement plan, you may still be

GETTING READY FOR YOUR TAX PREPARER

The best place to start is by reviewing last year's tax return.

able to deduct all or part of your IRA contribution. Married couples with an adjusted gross income of \$40,000 or less and single taxpayers with an adjusted gross income of \$25,000 or less may take the full deduction. For every \$1,000 in income over these ceilings, the deduction decreases by \$200. So, if you're married and earn \$50,000 or more, you lose the deduction completely.

• Can I make a non-deductible IRA contribution?

Yes, but you will have to inform the IRS by attaching Form 8806 to your federal tax return. To ensure that your after-tax contributions are not taxed again at withdrawal, you should also keep a personal record of all non-deductible contributions made between now and the time you receive the entire sum of your IRA money — in other words, for life.

• What are the rules for deducting miscellaneous and medical expenses?

Miscellaneous expenses are deductible to the extent that they exceed 2 percent of your adjusted gross income. Unreimbursed medical expenses are deductible to the extent that they exceed 7.5 percent of your adjusted gross income.

• Has tax reform eliminated the deduction for personal interest charged on credit cards and personal loans?

Yes, but the deduction is being phased out gradually. In 1988, just 40 percent is deductible. The deduction falls to 30 percent in 1989, 10 percent in 1990 and to zero in 1991.

• Is the deduction for mortgage interest being phased out?

No. Home mortgage interest is de-

ductible on loans of up to \$1 million as long as the money is used to buy or substantially improve a primary or secondary home. Interest is also deductible on home equity loans of up to \$100,000.

• Are state and local sales taxes deductible?

No. Tax reform has eliminated the deduction for both state and local sales tax. On the other hand, real estate, property and state and local income tax remain deductible.

• I donated a little more than \$500 to several non-profit organizations. Can I still deduct these charitable contributions?

Only if you itemize. If you give more than \$500 in non-cash property such as furniture or clothing, you must file Form 8283.

• My 13-year-old earned \$1,200 in interest on her savings account. Will she have to file a tax return?

Yes. Any dependent child who has a gross income of more than \$500 must file a return. The only exemption is when a child has earned income, such as paper route salary, of up to \$3,000 and absolutely no unearned income, such as interest or dividends.

• How will her income be taxed? Children younger than 14 may reduce their unearned income by up to \$500 of their standard deduction. The next \$500 is taxed at the child's rate, with any additional unearned income taxed at the parents' highest marginal tax rate.

• Will my 17-year-old be taxed the same way? No. Dependent children older than 13 are subject to their own income tax rates.

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