



**Are We Communicating? How to ‘Sell’ the Total Rewards Package Successfully**

**April 19, 2005**

**Registration**                      **11:00 – 11:30**  
**Lunch**                                **11:30 – 12:00**  
**Presentation and Q & A**    **12:00 – 1:15**

**Presented by: John A. Rubino**  
**President, Rubino Consulting Services**

Everyone agrees that effective communication is a primary criterion for successfully designing and implementing a total rewards package. But research consistently reports that most companies do a poor job of communicating. In this informative and entertaining presentation, John Rubino explores the reasons why and presents his proven methodology for managing the communication process successfully. The participants will come away with specific tools and techniques that will help get the message across and sell the rewards package to employees. This step-by-step approach provides a specific game plan for achieving the three primary objectives of successful employee communication: achieving understanding, getting buy-in (changing perceptions), and motivating the right behaviors.

*You can read **John A. Rubino’s** bio on page 6.*

Details and registration information on page 7.

Columbus Compensation Association sponsored two **WorldatWork** certification courses in March. Don’t miss the opportunity to attend the upcoming 4 courses in July and October see page 3.

*B1: Fundamentals of Employee Benefits Programs  
And  
T12: Outsourcing and Managing HR Service  
Partners*

For information or to register, contact WorldatWork at (877) 951-9191 or fax (866) 816-2962 or by e-mail [customerrelations@worldatwork.org](mailto:customerrelations@worldatwork.org). Be sure to include the certification course number and the course location (Columbus, Ohio) in your e-mail. CCA members receive a discount on all WorldatWork courses held in Columbus, Ohio. The 2005 fee of \$800 includes the exam. Non-CCA members pay the current WorldatWork fee at the time of registration.

**About WorldatWork**

WorldatWork is the world's leading not-for-profit professional association dedicated to knowledge leadership in compensation, benefits and total rewards. Founded in 1955, WorldatWork focuses on disciplines associated with attracting and motivating employees. In addition to providing professional affiliation, WorldatWork offers highly acclaimed certification (CCP<sup>®</sup>, CBP<sup>™</sup>, and GRP<sup>®</sup>) and education programs, the monthly *workspan*<sup>®</sup> magazine, online information resources, surveys, publications, conferences, research and networking opportunities.

[www.worldatwork.org](http://www.worldatwork.org)



## In the News

- According to recent survey results, only 13% of employees and managers and 6% of CEOs think their organization's performance appraisal is useful. And 88% say their current performance appraisal negatively impacts their opinion of HR. (*World at Work*)
- There is a significant increase in multinational companies using global compensation strategies. (*SHRM*)
- Cable Express, Inc. of Westerville, Ohio, has agreed to pay approximately 1,000 cable installers \$1,008,751 in back wages after the Department of Labor accused the company of violating the overtime provisions of the Fair Labor Standards Act. Cable Express cooperated fully during the investigation, according to the department. (*compensation.blr.com*)
- Under the Fair Labor Standards Act (FLSA), bonus payments must generally be included in the calculation of a worker's hourly rate when figuring the overtime premium. (*compensation.blr.com*)

**Please Note:** This material is provided as general information and is not a substitute for legal or other professional advice.

In November 2004, Columbus Compensation Association revised & approved new bylaws. They are posted on the CCA website at [www.columbuscomp.org](http://www.columbuscomp.org).

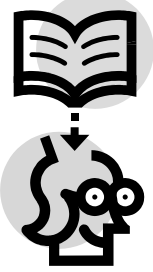
**REMEMBER** to keep your contact information current by emailing any changes to [info@columbuscomp.org](mailto:info@columbuscomp.org).

**LOOK FOR THE NEW CCA WEBSITE... COMING SOON!**

The CCA website has information on programming, as well as numerous compensation **job postings**. Your organization may post openings, *free of charge*, on the CCA website. Send information to [info@columbuscomp.org](mailto:info@columbuscomp.org).

**Don't forget to renew your membership for 2005!**

## Recommended Reads



### Becoming a Champion of Change

*How to Build Support for HR Initiatives and New Programs*  
By M. Michael Markowich, D.P.A.

### Responsible Executive Compensation for a New Era of Accountability

By Peter T. Chingos and consultants from Mercer Human Resources Consulting

### Delivering on the Promise

*How to Attract, Manage, and Retain Human Capital*

By Brian Friedman, James Hatch, and David M. Walker, Arthur Andersen

### Pay to Prosper

*Using Value Rules to Reinvent Executive Incentives*

By Richard Ericson

### The Power of Restricted Stock

*The Definitive Guide to a Resurging Long-Term Incentive*

By Brent Longnecker, CCP, CBP & Christopher S. Crawford

### Salary Surveys and Antitrust

*An Overview for the HR Professional*

By John H. Davis, Ph.D., CCP

### Recognition at Work

*Crafting a Value-Added Rewards Program*

G. Michael Barton, SPHR

The book reviewed in the January Newsletter was *MoneyBall* by Michael Lewis.

Have you read an interesting book lately? Would you like to be our next Book Reviewer? E-mail [info@columbuscomp.org](mailto:info@columbuscomp.org) if interested!

# **WORLdatWORK**

## **Coming in July and October...**

**July 11-13, 2005 at Columbus Marriott Northwest, Dublin, OH**

### **C1: Regulatory Environments for Compensation Programs**

This basic-level, two-day course presents an overview of the regulatory requirements for compensation programs. You'll cover the major federal statutes that affect compensation design and practice. On the third morning, an optional certification exam covers the content of this course. This course is designed specifically for compensation professionals who are new to the compensation field as well as for generalists with limited exposure to the compensation function.

**July 11-13, 2005 at Columbus Marriott Northwest, Dublin, OH**

### **T6: Mergers & Acquisitions - Benefits, Compensation and Other HR Issues**

This intermediate-level, two-day course gives you practical guidelines for addressing opportunities and pitfalls in mergers, acquisitions and similar transactions. You'll examine detailed methods for effective due diligence in the human resources area, including benefits plan design and costs, compensation and cultural integration. On the third morning, an optional certification exam covers the content of this course. This course is designed for human resources and finance professionals who seek detailed knowledge of the human resource implications in M&A transactions involving companies with existing benefits, compensation and human resources programs. You should have a basic understanding of the various types of benefit and compensation plans and their corresponding designs. A basic knowledge of financial and accounting implications in transactions is helpful.

**October 10-12, 2005 at Embassy Suites Hotel, Dublin, OH**

### **T3: Quantitative Methods**

This intermediate-level, two-day course is one of the CCP/CBP common core courses offered by WorlDatWork. It focuses on general quantitative concepts, basic statistical tools, the mathematics of total rewards design and administration, mathematical modeling, and regression analysis. Participants learn to consider data from numerous sources, with an emphasis on problem solving and decision-making. On the third morning, an optional certification exam covers the content of this course. This course is intended for those individuals who are relatively new to the field as well as experienced practitioners who seek a basic treatment for applying statistics in total rewards management. Participants will benefit most from this course if they are proficient in the concepts covered in course T1. It is assumed that participants have had no formal exposure to statistics, but have had a basic algebra course.

**October 10-12, 2005 at Embassy Suites Hotel, Dublin, OH**

### **C6: Principles of Executive Rewards**

This intermediate-level course provides an overview of the executive rewards field. Topics include a review of executive compensation and benefits plans, how they operate, and tax and accounting treatments. This course is particularly valuable for professionals who are new or relatively new to the executive rewards function. This course presents the difference between the rewards of executives and other employees. It is recommended that participants be proficient with the content covered in WorlDatWork course T2 or have at least two years of experience in the compensation function before taking this course.

# Avoid Costly Mistakes in 2005: 10 Common Pitfalls of the Fair Labor Standards Act

*Bob Weisman and Paul Bittner  
Schottenstein, Zox and Dunn*

Many managers and human resources professionals are familiar with the requirements of the Fair Labor Standards Act ("FLSA"). The two major provisions of the FLSA establish the federal minimum wage and overtime compensation for hours worked in excess of 40 in a workweek. The FLSA also contains recordkeeping and child labor requirements. Although this law has existed since the 1930s, many employers still have misconceptions about what an employer can and cannot do under the FLSA. Below are 10 common pitfalls that employers encounter and ways to avoid them moving into the New Year.

## 1. Deductions from Employee Salaries

One of the biggest misconceptions about the FLSA concerns the payment of a salary. Compensation on a "salary basis" means that an employee earns a fixed weekly salary, regardless of the quality or quantity of work performed. One of the key components to the white-collar exemptions (covering executive, administrative and professional employees) is compensation on a "salary basis." Compensation on a salary basis alone, however, does not make an employee "exempt" from the overtime requirements of the FLSA.

In order to be exempt from overtime, a white-collar employee must do exempt work (duties test), receive a fixed weekly salary regardless of the quality or quantity of work performed (salary basis test) and the salary must be at least \$455 per week (salary level test). Employers are not allowed to "dock" salary from exempt employees for partial-day absences or for unsatisfactory work performance. If an employer docks salary, the employer risks changing the classification status of the exempt employee to "non-exempt" and incurring a potential overtime liability.

## 2. Employees Who Work Without Authorization

The FLSA does not excuse employers from paying overtime to non-exempt employees who work overtime without authorization. Many employers have policies that require employees to obtain authorization before working any overtime hours. However, if an employee does not get authorization and works anyway, he or she is still entitled to be compensated for the time worked either at the regular rate for non-overtime hours or at the overtime premium rate (time and a half of the regular rate) for the overtime hours. An employee who works without authorization could be subject to disciplinary action by the employer, but he or she is entitled to be paid.

## 3. Employee "Volunteers"

In the private sector, an employee cannot "volunteer" to work without pay. True volunteers exist only in public agencies, civic organizations, educational institutions or charities (or other similar entities). Volunteers provide services to these agencies or institutions without any expectation of payment. Volunteers are not employees who are asked to come in over a weekend to help with a special project. These employees are doing work and under the FLSA, they must be compensated.

## 4. Unpaid Breaks

Under the FLSA, short breaks in a workday are compensable as time worked. Many employers will offer two ten minute or two fifteen minute breaks during the workday to allow non-exempt employees to drink a cup of coffee, to go outside and have a cigarette or perhaps just to refresh themselves prior to continuing with their work. These ten to fifteen minute breaks, although not required by the FLSA, are compensable. Employers who require employees to sign out for these ten to fifteen minute breaks are in violation of the FLSA and could run into a back pay liability. Note that some state laws require breaks for minors and for all employees after a certain number of hours worked.

## 5. Working Through Lunch

Meal periods for non-exempt employees, unlike breaks, need not be compensated under the FLSA. A meal period must be at least 30 continuous minutes in length and the employee must be relieved of all work duties during that meal period. In other words, an employee who is told to eat lunch at his or her desk in order to be ready to answer the telephone or handle incoming emails is not relieved of all duties. In that example, the employee would have to be compensated for working during the meal period.

## 6. “Comp Time”

Unless you are a public sector employer, you cannot use “comp time” as a substitute for overtime for non-exempt employees. In a true compensatory time system, a public employee may work overtime in excess of 40 hours in a workweek and accrue one and a half hours of compensatory leave time for each hour of overtime worked. The employer must then allow the employee to take the compensatory time off at a later date. Keep in mind that this type of “comp time” system can only be used in the public sector. Private sector employers who use “comp time” are doing so at their own peril, as this is a violation of the FLSA. Non-exempt employees in the private sector must be compensated at time and a half of their regular rate for all overtime hours worked in excess of 40 in a workweek.

## 7. Unpaid Travel Time

Non-exempt employees who are required to travel generally must be compensated for the travel time. The ordinary home-to-work commute is not considered travel time under the FLSA. However, travel during the workday between job sites is compensable. If an employee is required to visit two or three different destinations during the workday, the employee must be paid for the travel in between the destinations. If the employer requires the employee to “sign out” for travel during the workday, it is a violation of the FLSA. There are special rules for employees who travel on public transportation, such as airlines or commuter trains, and those employees who have to travel outside of the normal workday.

## 8. Unpaid Mandatory Meetings

Many employers will have organizational meetings at the beginning of the workweek or perhaps at some less frequent time, such as quarterly or seasonally, to go over new policies, services, production equipment, etc. These types of meetings are compensable, and non-exempt employees must be paid for attendance at these meetings.

## 9. Failing to Properly Calculate the “Regular Rate” to Determine Overtime

Under the FLSA, the overtime premium due for all hours worked in excess of 40 in a workweek is one and a half times the “regular rate.” What is the “regular rate?” The regular rate is not necessarily the hourly rate quoted to the employee when he or she is offered employment. The “regular rate” is the amount that the employee earns divided by the total hours worked. This is determined by calculating all earnings during the workweek and dividing it by the total number of hours worked by the employee. Of course, the regular rate must be at least the minimum wage. Commissions, bonuses, shift differentials and the like will have an impact on the regular rate. If the overtime rate is not calculated factoring in these items, an employer could have an overtime back pay liability without realizing it.

## 10. Inaccurate Recordkeeping

It is the employer’s responsibility to keep accurate records of time worked. An employee is entitled to his or her wages despite the fact that he or she may not be the best timekeeper or submits incomplete time sheets. With that in mind, employers should have reliable and effective timekeeping systems, which include such things as electronic time clocks or computer sign in procedures in order to validate when employees are actually working. Employees should only be allowed to clock in for themselves and not clock in for other employees. Employees who do not follow timekeeping procedures should be subject to disciplinary action rather than having their pay “docked.”

*If you have any questions regarding any of these issues please contact either of the following attorneys in the Schottenstein, Zox and Dunn labor and employment group: Bob Weisman at 614-462-2239 or [rweisman@szd.com](mailto:rweisman@szd.com), or Paul Bittner at 614-462-2228 or [pbittner@szd.com](mailto:pbittner@szd.com).*

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**RUBINO CONSULTING SERVICES (RCS)  
Established in 1996**

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**John A. Rubino** is President of Rubino Consulting Services (RCS) based in Pound Ridge, New York. His areas of expertise are in the design and implementation of corporate values/objectives and their linkage to human resources strategies, performance-driven incentive plans, sales compensation programs, performance management systems, management training programs, team dynamics, leadership skills, motivational training, and human resources communication programs. Prior to forming his own consulting company, John was senior manager of human resources consulting services for Ernst & Young LLP and director of executive compensation for The Equitable Life Insurance Company. He has also provided a variety of human resources services to organizations in the financial services, manufacturing, and public sectors. An internationally-acclaimed motivational speaker, John is also a course developer and seminar leader for WorldatWork (formerly the American Compensation Association) and the American Management Association. He is the author of two books --*Developing Compensation Programs: Job Analysis, Evaluation and Classification* and *Communicating Compensation Programs: An Approach to Providing Information to Employees*. Moreover, John has written a number of articles on human resources and is frequently quoted in professional publications. A Certified Compensation Professional (CCP), Certified Benefits Professional (CBP), and Global Remuneration Professional (GRP), he holds a BA from Wagner College and an MBA from the Lubin Graduate School of Business, Pace University, as well as a Lifetime Achievement Award from WorldatWork. John is also a current member of Marquis Who's Who in the World, Who's Who in America, and Who's Who in Finance and Industry.

**Partial listing of clients:** Citrix Systems Inc., Beenz.com, The Princeton Insurance Company, Southern Farm Bureau Insurance, John Hancock Life Insurance Company, Indiana Mutual Insurance Company, Sterling Drug Inc., Genovese Drug Stores, Niagara Plastics Company, Canadair Challenger Inc., Peak Technologies, Philip Morris International, Texaco International, Batelco Telecommunications (Bahrain), Oppenheimer Management Company, Burson-Marsteller (Public Relations), Ericsson Business Communications, Advanced Interconnections, ASEA Inc., The Greater New York Savings Bank, The County of Westchester, Connecticut Development Authority, Total Health Care, The Cherry Hill Public School System, Fairfield University.

**About Columbus Compensation Association**

A major purpose of the Columbus Compensation Association (CCA) is to enhance and promote the total compensation profession through the participation of members in seminars for their career growth and personal benefit. To serve this purpose, CCA is pleased to sponsor WorldatWork seminars.

[www.columbuscomp.org](http://www.columbuscomp.org)

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Is there anything you'd like to see in our next newsletter? Please send feedback and ideas to [info@columbuscomp.org](mailto:info@columbuscomp.org).

## April 19, 2005 Presentation Registration Form

### Are We Communicating? How to 'Sell' the Total Rewards Package Successfully Presented by: John A. Rubino

(Attach business card or complete information below)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

Event Time:        11:00 – 11:30 Registration  
                         11:30 – 12:00 Lunch  
                         12:00 – 1:15 Presentation and Q & A

Location:            Fawcett Center  
                         2400 Olentangy River Road  
                         Columbus, Ohio 43210  
                         614-292-1342

#### **Event Cost:**

Presentation:        \$20 member / \$25 non-member

Please make check payable to CCA and return with registration form by mail to:

Columbus Compensation Association  
PO Box 164022  
Columbus, OH 43216-4022

To ensure your reservation, please mail the completed form and payment so that it is received no later than April 14, 2005.

**Send RSVP, or questions, by email to CCA at [info@columbuscomp.org](mailto:info@columbuscomp.org).**

## 2005 Columbus Compensation Association Membership Application

<b>Member Name:</b>	
<b>Title:</b>	
<b>Company Name:</b>	
<b>Business Mailing Address:</b>	
<b>Business Phone:</b>	
<b>Business Fax:</b>	
<b>Business E-Mail:</b>	
<b>Industry Segment:</b>	

*Please Note:*

- *New member dues paid in the last quarter of the year will apply towards the next year's membership.*
- *Please feel free to attach a business card with the required information if that is more convenient.*

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Membership is on an individual basis. However, each company may designate one member to serve as their primary contact. Are you the primary contact for your company? \_\_\_\_\_

Are you a new CCA member? If yes, who referred you to the CCA? \_\_\_\_\_

Signature of applicant: \_\_\_\_\_ Date: \_\_\_\_\_

### Individual Annual Membership Dues: \$25.00

Please return both the membership form and check payable to CCA to:

Columbus Compensation Association  
CCA Membership Coordinator  
PO Box 164022  
Columbus, OH 43216-4022

*The Columbus Compensation Association Tax ID number is 31-1117241.*