

# Columbus Compensation Association



P.O. Box 164022 – Columbus, OH 43216 - 4022

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

October 2005 Newsletter

## 2005 Legal Update: FLSA Update - One Year Later and Domestic Partner Benefits

November 15, 2005 Lunch Presentation

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

*CCA welcomes D. Lewis Clark Jr., a Partner at Squire, Sanders & Dempsey L.L.P to present a legal update on FLSA and Domestic Partner Benefits.*

### FLSA Update - One Year Later

New rules governing overtime eligibility for “white-collar” workers under the Fair Labor Standards Act took effect in August 2004. These new rules were the first significant changes to the FLSA in nearly a half century. Most notably the DOL updated the rules regarding which employees are eligible for overtime pay. This session will provide insightful and practical information on the impact of the new changes and provide resources for understanding the effect these new rules have had on employers.

### Domestic Partner Benefits

For many years, the issue of whether or not to provide employee benefits to employees’ domestic partners has been hotly disputed. Most recently, the federal Defense of Marriage Act (“DOMA”), the Ohio Defense of Marriage statute, and the Ohio voters’ passage of Issue 1 in November 2004 banning same-sex marriage have each highlighted and fueled the debate. In this presentation, Lew will cover practical topics such as:

- Tax & ERISA Implications of domestic partner benefits
- How far does the employer wish to extend coverage?
- How does the employer want to define domestic partners?
- What level of employee contributions will be charged for domestic partner coverage?
- What enrollment levels are expected and what costs does the employer expect to incur?
- Tax consequences for employees and employers if welfare benefits are extended to domestic partners

Columbus Compensation Association is sponsoring six **WorldatWork** certification courses in 2006.

Don't miss the opportunity to attend - see details on page 3.

- C4: Base Pay Management
- T9: International Remuneration: An Overview of Global Rewards
- C2: Job Analysis, Documentation and Evaluation
- B3: Health Care and Insurance Plans -- Design and Management
- T1: Total Rewards Management
- C11: Performance Management -- Strategy, Design and Implementation

**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. 2006 course fees to be announced next year. 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

- There are currently 130 living wage laws in the US. ([www.shrm.org](http://www.shrm.org))
- Nearly half of large companies with employees who are out of work as a result of Hurricane Katrina will keep those employees on the payroll indefinitely, according to a Mercer Human Resource Consulting survey released Oct. 11. ([www.shrm.org](http://www.shrm.org))
- Benefits plans, participants and beneficiaries in Katrina disaster areas will have well into next year before they will be required to satisfy all COBRA notice and other health care continuation coverage requirements. The Labor Department (DOL) and Internal Revenue Service (IRS) announced Oct. 11 that a suspension of various COBRA notice deadlines will be extended from Jan. 3, 2006, until Feb. 28. ([www.shrm.org](http://www.shrm.org))
- According to a new study by human capital consulting firm Watson Wyatt Worldwide, the economic value (using the Black-Scholes formula) of stock options granted at the typical company declined 64% from \$103 million in 2001 per company to \$37 million in 2004. Last year alone, the value of stock options fell 17%. The decline occurred in all major industry sectors, even though the stock market increased steadily. Between 2001 and 2004, the stock price at the typical S&P 1500 company rose 34% — and 18% in 2004 alone. This decline reflects a drop in the number of employees receiving stock options as well as shrinking grant sizes at all employee levels. The study is based on public data from companies in the S&P 1500. ([www.worldatwork.org](http://www.worldatwork.org))
- New data from an online survey of more than 1,000 U.S. workers reveals a widespread desire to change jobs. The poll indicates more than 40% of currently employed respondents plan to start their job searches within 12 months. ([www.worldatwork.org](http://www.worldatwork.org))

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

**REMEMBER** to keep your contact information current by emailing any changes to [info@columbuscomp.org](mailto:info@columbuscomp.org). This is more important than ever as all communications to CCA members will be sent electronically going forward.

## Course Review

By David Giesman, CCA Board

The Columbus Compensation Association recently offered WorldatWork's C6 course, Principles of Executive Rewards.

This course briefly covered salary, short-term incentives, and supplemental executive benefits and perquisites. But the main focus of the class was on long-term incentives.

Some of the influences on executive rewards are Federal regulations like the Sarbanes-Oxley Act of 2002, the American Jobs Creation Act of 2004, and the Jobs and Growth Tax Relief Reconciliation Act of 2003. In addition, regulatory bodies like the IRS, SEC, DOL, and FASB have an impact on executive compensation.

One of the main reasons these regulations have such an impact on executive compensation is the tax consequences on compensation. For example, Section 162(m) of the Internal Revenue Code generally disallows a corporate tax deduction to public companies for non-performance based compensation of more than \$1 million paid to the CEO and next 4 most highly compensation executive officers. This is why the base salary of CEO's, even in the nations largest corporations, is usually not over \$1 million. And there are plenty of other examples of how maximizing the corporate tax deduction often drives the design of executive compensation.

The course dove fairly deep into various types of long-term incentives and the tax consequences of each. The course covered nonqualified and incentive stock options, restricted stock grants, stock appreciation rights, performance share plans, and even phantom stock plans.

The course also covered deferred compensation and recent changes like Internal Revenue Code 409A. This regulation came about as part of the American Jobs Creation Act of 2004 and is the first time the IRC code has provided specific rules regarding nonqualified deferred compensation plans.

This course is an excellent overview of executive compensation and is highly recommended for anyone wanting a more in-depth understanding of executive compensation.

# **WORLDatWORK**

## **Coming to Columbus in 2006**

### **March 8-10, 2006 at Columbus Marriott Northwest, Dublin, OH C4: Base Pay Management**

This intermediate-level, two-day course provides an in-depth discussion of the principles, design, administration, and evaluation of an employee base pay program. Exercises will show you how to resolve differences between a job's internal worth and market data, helping you to design a base pay program that is fair and competitive, while supporting your organization's compensation strategy. On the third morning, an optional certification exam covers the content of this course.

### **March 8-10, 2006 at Columbus Marriott Northwest, Dublin, OH T9: International Remuneration: An Overview of Global Rewards**

This basic-level, two-day course offers an overview of total remuneration and its role within global organizations. It includes summaries of national remuneration practices in various countries and regions of the world, a discussion of expatriate pay strategies, an analysis of the differing influence of governments on remuneration practices and the role of remuneration within the overall global management of human resources. On the third day, an optional exam covers the content of this course.

### **July 10-12, 2006 at Columbus Marriott Northwest, Dublin, OH C2: Job Analysis, Documentation and Evaluation**

This basic-level, two-day course presents the fundamentals of job analysis and documentation with a focus on job descriptions. You'll cover various methods of job evaluation including quantitative and market-based approaches. Exercises help you see how the methods outlined in the course can be put into practice in your organization. On the third morning, an optional certification exam covers the content of this seminar.

### **July 10-12, 2006 at Columbus Marriott Northwest, Dublin, OH B3: Health Care and Insurance Plans -- Design and Management**

This intermediate-level, two-day course gives you a detailed overview of the design and management of health and insurance benefits. You'll cover legal requirements, including recent legislative changes, as well as new trends and emerging issues. On the third morning, an optional certification exam covers the content of this course.

### **October 10-12, 2006 at Columbus Marriott Northwest, Dublin, OH T1: Total Rewards Management**

Learn what is required to develop a rewards program that has the power to attract, retain and motivate employees - total rewards. This basic-level, two-day course is designed as an introduction to the total rewards model and its three components: compensation, benefits and the work experience. Emphasis is given to the concept of the total rewards design process. Finally, participants are introduced to the general skills needed by the HR professional to become an effective strategic business partner. On the third morning, an optional certification exam covers the content of this seminar.

### **October 10-12, 2006 at Columbus Marriott Northwest, Dublin, OH C11: Performance Management -- Strategy, Design and Implementation**

This intermediate-level course presents the key concepts associated with measuring and rewarding performance at the organization-wide, group and individual levels. Issues addressed include: organizational performance planning, business strategy, the performance management system and process, measurement, individual motivation and the link between rewards and performance. On the third morning, an optional certification exam is administered covering the course content.

## September Meeting Recap

By Teri Martise, Limited Brands

Adrienne Voltattorni from Mercer Consulting presented at the September 21, 2005 CCA Breakfast Meeting. The topic of this presentation was "Trends in Compensation and Total Rewards". The information presented at this session was from the results of two Mercer surveys titled "2005/2006 US Compensation Planning Survey" and "Mercer Snapshot Survey: Measuring the Return on Total Rewards". Ms. Voltattorni discussed the top reward challenges for human resources professionals which included paying for top performers and employee satisfaction. She also reviewed the total rewards framework from three perspectives: employer, employee and cost. It was interesting to see where companies are investing their dollars for rewards; the highest being training and career development. It was also interesting to see that employees are more interested in recognition and non cash incentives than in the past. Also presented was survey data from the 2005 Metropolitan Benchmark Compensation Survey which highlighted base salary differences in Columbus vs. national.

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*For those of you who attended and would like an electronic copy of some of the materials presented, please go to the CCA website and click on "Events & Communications" to download the files.*

## The Benefits of Columbus Compensation Association Membership:

- Discounted WorldatWork Certification Courses
- Discounted Meeting & Seminar Fees
- Membership Directory
- Discounted Meeting & Seminar Fees at GPN Partner Associations in our region
- Excellent Networking Opportunities
- Member Newsletters
- Enhancement of Professional Knowledge & Skills
- Complimentary Job Postings on CCA Website
- Website (Enhanced *Members-Only Area* Coming in 2006)
- Individual Membership that Transfers with the Member

Columbus Compensation Association has not increased membership dues or meeting fees for some time. However, in order to maintain the sound financial health of the organization, the Board has approved a modest increase in the 2006 dues and meeting fees. These fees are comparable to similar compensation and/or benefits associations around the country and will allow us to continue to bring quality speakers and services to our members.

### New this year - 2 Options for Membership Dues and Meeting Fee Payments:

- Option 1: Pay for dues and meeting fees separately: \$50 for membership dues, \$30 per meeting
- Option 2: Pre-pay an all-inclusive package to include membership dues and all regular CCA meetings for a total cost of \$170. (Note: This does not include fees for any seminars or workshops that might be scheduled in 2006.)

## Congratulations to the 3 door prize winners from our 9/21 meeting!

Brittany Heppner, *Installed Building Products*  
Jennifer Sanchez, *Center of Vocational Alternatives*  
Andres Gonzalez, *Diamond Innovations*

Our door prize books were:  
7 Hidden Reasons Why Employees Quit

Fish  
Blink

## Columbus Compensation Association 2005 Board Members

<b>President:</b> <b>Amanda Linard</b> Compensation Analyst Too Brands 8323 Walton Parkway New Albany, OH 43054 614.775.3518 work alinard@toobrand.com	<b>Immediate Past President:</b> <b>Ron Guisinger</b> Dir of Global Comp & Benefits Sterling Commerce, Inc. 4600 Lakehurst Ct. Dublin, OH 43016 614-793-7477 ron_guisinger@stercomm.com
<b>Vice President:</b> <b>Mary Ellis</b> President Mary Ellis Associates, LLC 4744 Brittonhurst Drive Hilliard, Ohio 43026 614-529-8803 mellis@columbus.rr.com	<b>Secretary:</b> <b>Julie Hurley</b> HR Representative Wendy's International, Inc. 4288 W. Dublin-Granville Rd Dublin, OH 43017 614-764-3231 julie_hurley@wendys.com
<b>Treasurer:</b> <b>Michael Kalan</b> Sr Compensation Analyst Wendy's International, Inc. 1 Dave Thomas Blvd. Dublin, OH 43017 614-764-3275 michael.kalan@wendys.com	<b>Communications:</b> <b>Sarah K. Skala</b> Sr Compensation Analyst Limited Brands 3 Limited Pkwy Columbus, OH 43230 614.415.8198 sskala@limitedbrands.com
<b>Membership:</b> <b>Karen Hudson</b> Compensation Manager City of Columbus HR Suite 311 90 W. Broad St. Columbus, OH 43215 614-645-0293 kjhudson@columbus.gov	<b>Programs (Speakers):</b> <b>David Giesman</b> Dir Compensation Nationwide Insurance One Nationwide Plaza 1-26-10 Columbus, OH 43215 614-249-3445 dgiesman@columbus.rr.com
<b>Professional Development:</b> <b>Don Adams, President</b> Compensation Consultants of Dublin 2881 Charing Rd Columbus, OH 43221 614-395-2397 donadams@rrohio.com	<b>Programs (Facilities):</b> <b>Sally Warshaw</b> Compensation Manager The Scotts Company 14111 Scottslawn Road Marysville, OH 43041 937-644-7186 sally.warshaw@scotts.com

## **About the Speaker:**

Low Clark concentrates his practice on counseling and advocacy for private and public sector employers in all types of labor and employment matters and is an experienced mediator of employment and other civil litigation matters.

Mr. Clark represents employers in a broad range of employment litigation and administrative matters involving such issues as discrimination, harassment, retaliation, wage and hour law, employment at-will, employee benefits, employment contracts, defamation, employment intentional torts, wrongful discharge, unfair competition, trade secrets and unfair labor practices.

Mr. Clark counsels employers on compliance with all federal and state labor and employment laws, such as the Americans with Disabilities Act, the Family and Medical Leave Act, the Fair Labor Standards Act, the Worker Adjustment and Retraining Notification Act (WARN), the Equal Pay Act, the National Labor Relations Act and the federal and state employment discrimination statutes. He counsels employers on workplace harassment, workplace violence, terminations, mass layoffs, union avoidance, unfair labor practices, drug and alcohol testing, employment practices liability insurance, employee handbooks and policies, non-competition agreements and other employment contracts. Mr. Clark also performs comprehensive reviews of employers' employment policies and practices and performs training for supervisors and other employees concerning hiring and firing, harassment and other employee relations issues.

Mr. Clark is a member of the Labor Committees of the Ohio State and Columbus Bar Association as well as the Labor and Employment Section of the New York State Bar Association.

## **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)



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).



# Columbus Compensation Association

November 15, 2005 Lunch Presentation

**2005 Legal Update: FLSA Update - One Year Later and Domestic Partner Benefits**  
*presented by D. Lewis Clark Jr.*

(Attach business card or complete information below)

<b>Attendee 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>	

**Event Time:**

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

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

Event Cost: \$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. Alternatively, you may pay at the door.

To ensure your reservation, please mail the completed form and payment so that it is received **no later than 11/11/2005**. Send RSVP, or questions, by email to CCA at [info@columbuscomp.org](mailto:info@columbuscomp.org).

# Columbus Compensation Association

## 2006 Membership Application\*

MEMBERSHIPS ARE INDIVIDUAL-BASED AND ARE FOR THE CALENDAR YEAR. **Please feel free to attach a business card with the required information if that is more convenient.**

Member Name: \_\_\_\_\_ Title: \_\_\_\_\_

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

Business Mailing Address: \_\_\_\_\_

Business Phone: \_\_\_\_\_ Business E-mail: \_\_\_\_\_

- If you prefer to receive CCA communications at an alternate email address please list it here:  
\_\_\_\_\_
- Beginning this year, newsletters will be **emailed** to you. If you would prefer the printed copy via US mail, check here:

Industry Type (i.e., manufacturing, banking/financial services, insurance, retail, etc.): \_\_\_\_\_

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

Signature of Applicant: \_\_\_\_\_ Date: \_\_\_\_\_

**Option One:** Individual Membership Annual Dues:  \$50.00

**Option Two:** Membership & Meetings Package:  \$170.00  
*Includes membership dues and all 2006 meetings*

***\*If you are joining the CCA for the first time between October 1 and December 31, 2005, the dues received will go toward your 2006 membership. You will not need to pay dues again in 2006.***

Note: Our Tax ID number is 31-1117241

Please send the completed application and check payable to Columbus Compensation Association to:

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

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### CCA USE ONLY:

Date Application Received: \_\_\_\_\_ Membership Directory Updated: \_\_\_\_\_

Paid membership dues in Q4 2005  Amount: \_\_\_\_\_