



Columbus Compensation Association

September 2010

www.columbuscomp.org
info@columbuscomp.org

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Meeting Announcement Co-Sponsored with the Local ISCEBS Chapter Lunch Meeting

Thursday, September 16, 2010
The Fawcett Center, 2400 Olentangy River Road

Program Topic:
Engaging Communications – Inspiring a Diverse Workforce to Take Action

Presenter:
Jack Towarnicky, AVP Benefits, Nationwide

Schedule:

Registration and Meal	11:15 a.m. – 12:00 p.m.
Keynote Presentation	12:00 p.m. – 1:30 p.m.

Cost	Member	Non-Member	Student*
Meeting Keynote	\$30	\$40	\$10

Registration Deadline: Friday, September 10, 2010

- No meeting cost for those who prepaid membership & meeting package for 2010.
- If you register but don't attend, you are still responsible to pay the meeting cost.
- Please register online at <http://www.columbuscomp.org>
- **If you require a vegetarian meal, please notify us at info@columbuscomp.org**

*The Columbus Compensation Association considers "Student Membership" as a discounted membership for a full-time college student who may not otherwise qualify for sponsorship by their own organization.

Program Overview

Jack's presentation will provide a brief overview of behavioral economics concepts, review examples on how Nationwide incorporated behavioral economics concepts into their benefits plans, and explain how behavioral economics leads to better associate decision making. Attendees will learn:

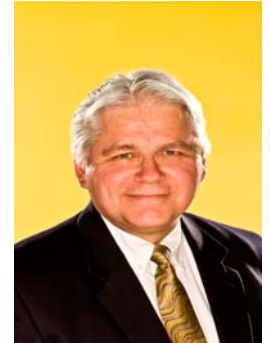
- o Behavioral economics techniques to overcome the challenge of customizing communications for diverse workforces,
- o Some of the science behind associates' sometimes irrational behavior in benefits decision making, and
- o How the most effective incentives may actually reduce your benefits expense.

Attendees will learn from Jack's experience that communicating the **right** answer to associates and retirees is more **effective** when done in an **interesting and entertaining way**, with **applied learning** behind it.

About the Speaker – Jack Towarnicky

From 1985 through 2010, Jack served in Nationwide's top benefits leadership role, most recently as Associate Vice President, Benefits Planning. Nationwide is a Fortune 150 insurance and financial services company with approximately 33,000 active associates. Jack's responsibilities included pension, 401(k), welfare plans, paid time off, executive benefits, and benefit components of wellness plans.

Jack is a lawyer, licensed in Ohio, obtaining his Juris Doctorate from South Texas College of Law in Houston, TX. He earned his MBA and BBA (Business Economics) at Cleveland State University. Jack has the Certified Employee Benefits Specialist Designation and attained Fellowship status in 1992. Jack is currently pursuing his Master of Laws in Employee Benefits from John Marshall College of Law, Chicago, IL.



Nationwide and Jack received national recognition from several institutions for their programs. Jack currently holds roles on four different trade associations (American Benefits Council, Council on Employee Benefits, International Foundation of Employee Benefit Plans, and Benefits Advisory Board for WorldatWork) and Jack has been appointed to the Obama Employee Benefit Security Administration Advisory Council. In addition, Jack has served as an instructor/adjunct at The Ohio State University, Franklin University, James A. Rhodes State College, Marion Technical College, and for the Certified Employee Benefits Specialist program.

Six Surefire Morale Deflators – and How to Avoid Them

(Source: Robert Half Technology – 2010 Salary Guide)



1. **Not standing by your team.** Managers who don't support their workers lose their trust. Stand up for your staff members, particularly if they're criticized unfairly. If you're there for them, they'll be there for you.
2. **Ignoring the rumor mill.** It exists in every organization, and there's always plenty of grist. In times of change, tell your team all you can – as early as you can – to cut back on grapevine chatter.
3. **Thinking it's all about money.** Without a doubt, money matters when it comes to retention, but it's not all that is important. According to a Robert Half survey, the primary reason people quit their jobs is unhappiness with management, followed by limited opportunity for advancement. Compensation ranked third, along with lack of recognition.
4. **Oiling only the squeaky wheel.** For every person who approaches you with questions or concerns, there are several others who won't. Regularly touch base with employees in person. You'll be able to solicit feedback from your strong, silent types in addition to your more vocal team members.
5. **Catching people off guard.** Employees should never be surprised by what they hear during a performance review. Consistently let staff members know what they're doing right and alert them to areas where they should strive to improve.
6. **Making staff afraid to ask for help.** Often, your most reliable employees will be the most overloaded and least likely to speak up. Sure, you appreciate hard work, but don't inadvertently promote a culture where your workers feel they can't request assistance with projects when needed.

Association Membership Survey

Thank you to our 56 members who took the time to complete the membership survey! With a membership roster of 116, this represents a response rate of 48%. We thank you for your commitment to helping the association better serve you!



Winners of the drawing: As a thank you, a random drawing was held to reward three lucky winners with a \$50 Visa Gift Card each. The winners are Deb Houtaling – Lake Shore Cryotronics, Vivian Young - Nationwide, and Mollie Carroll - OSU Medical Center. Winners may pick up their gift card at the September meeting.

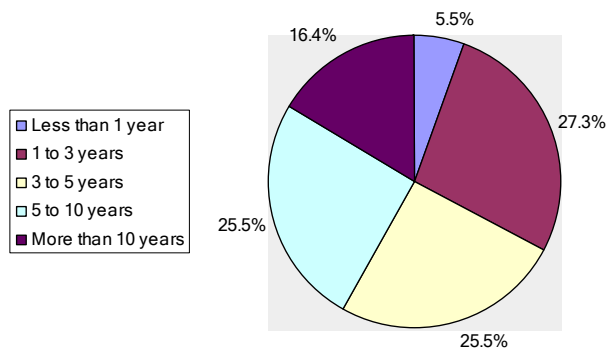
Results of the Survey

Results will be discussed in the November meeting prior to our featured speaker. However, in the interim, below is some information regarding the demographic makeup of CCA:

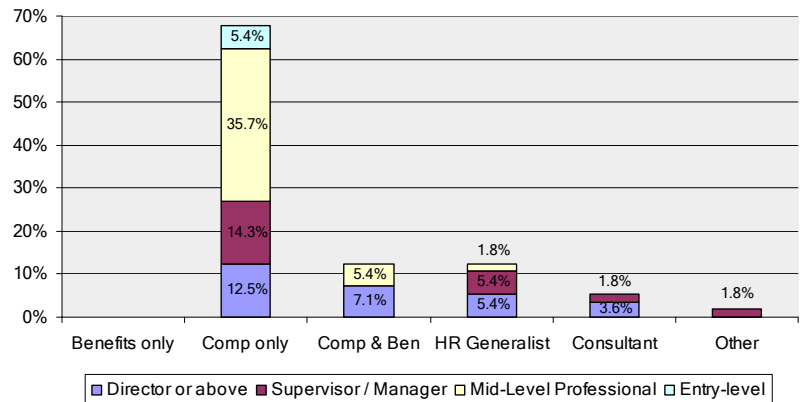


- Membership tenure is diverse, though only 5.5% have been members for less than a year.
- A typical member would be focused solely on compensation (67.8%) and would be considered a mid-level professional (42.9%), with the combination accounting for over one-third of our members (35.7%).
- Our top two industries are Insurance/Financial Services (30.8%) and Retail (21.2%).
- The majority of our members belong to organizations with greater than 10,000 employees (62.5%).

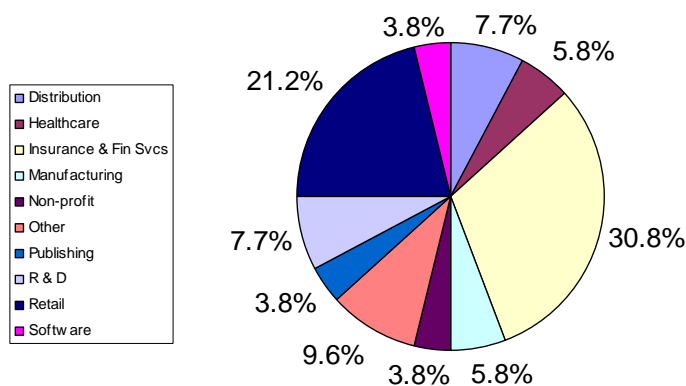
How long have you been a member of the Columbus Compensation Association (CCA)?



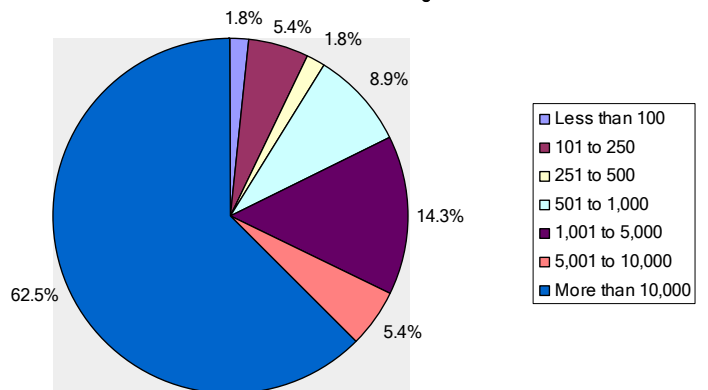
What is your current role and level in your organization?



Please identify the industry in which you work.



Please indicate the number of employees in your organization.



In the News



- **Employees Report Cutbacks in Pay, Benefits, & Perks** (www.shrm.org – July 9, 2010)
 - SHRM reported results of a Glassdoor.com Employment Confidence Survey showing that in the second quarter of 2010, 45% of US employers made changes to the number of staff, organizational structure, compensation and benefits, or other perks in the prior six months.
 - Employees reported higher rates of compensation changes and cuts (57%), including bonus reductions or eliminations (27%), reductions in health and/or dental benefits (22%), and removal of company perks (20%).
 - Additional findings on the impact of the economy show employees have reported the following:
 - 37% - The raise and/or bonus I would typically receive has been smaller or was eliminated
 - 31% - I have taken on more work without more compensation or advancement
 - 43% - do not think they will get a pay increase in the next 12 months, while 40% expect to receive one.
 - 58% of Baby Boomers do not expect an increase, but 45% of younger workers (18-34) expect a pay raise
- **Google Helping Gay and Lesbian Employees Cover Extra Costs** (www.hr.blr.com – July 9, 2010)
 - In keeping with Google's already generous benefit packages, the company is now offering to compensate employees who have a same-sex domestic partner for the extra cost of their partner's health benefits. Google also eliminated the 1-year period employees' with same-sex domestic partners would have to wait before qualifying for infertility benefits.
 - The article cited a study showing an average of \$1,000 more a year in taxes that gay/lesbian employees with domestic partners pay compared to heterosexual married employees with the same coverage.
 - Google already offers some unique benefits and perks including free lunches, on-site doctor, massage services, or take-out meal expenses after the birth of a child.
- **Rite Aid Corporation Agrees to Pay \$1 Million HIPAA Settlement** (www.hr.blr.com – July 28, 2010)
 - A joint investigation by the Department of Health and Human Services for Civil Rights (OCR) and the Federal Trade Commission (FTC) began after viewing videotape showing Rite Aid pharmacies disposing of prescriptions and pill bottles in industrial trash containers accessible to the public, with the customers' personal information still included. This is a potential violation of the HIPAA Privacy Rule.
 - Rite Aid has also agreed to corrective actions as part of the consent decree, including:
 - Updating policies and procedures regarding disposal of protected information
 - Implementing sanctions for employees who disregard the new procedures/policies
 - Providing employee training on the new requirements
 - Hiring a third party to conduct compliance reviews
- **Coalition Works to Make Tuition Tax Break Permanent** (www.shrm.org – August 6, 2010)
 - The tax break for employer-provided tuition assistance (Section 127) is set to expire on Dec. 31, 2010.
 - More than 75 businesses, universities, and associations have formed the Coalition to Preserve Employer Provided Education Assistance (CPEPEA). The coalition supports the passage of the Employee Educational Assistance Act of 2010 which would make many educational tax provisions permanent.
- **Countries with Highest / Lowest Percentage of Allotted Vacation Time Used?** (www.hr.blr.com - August 27, 2010)
 - A survey of 12,500 people in 24 countries determined the employees in which country were most likely and least likely to take all of their time off:

<p><u>Top 3 countries:</u></p> <ol style="list-style-type: none"> 1. France – 89% 2. Argentina – 80% 3. Hungary – 78% 	<p><u>Bottom 3 countries:</u></p> <ol style="list-style-type: none"> 1. Japan – 33% 2. South Africa – 46% 3. Australia – 47%
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 - The United States' percentage was 57% and Canada's was 58%.
- **COBRA Cost Increases & Health-Care Cost Shifting in 2011** (www.worldatwork.com - August 27, 2010)
 - An Aon Consulting survey of 1,079 employers found an increase in monthly COBRA contributions for terminated employees (HMO: \$30 for employee-only, \$80 for employee + family; PPO: \$10 for employee-only, \$35 for employee + family). For current employees, the survey found that 65% of employers plan to increase cost sharing next year for deductibles, co-pays, and out-of-pocket maximums.

How Does Columbus Compare on Health Care Reform?

In June, SHRM conducted a poll of its members regarding responses to the health care reform. CCA conducted its own poll of select members in late August to see how our member companies compare to the national results. Below is how we responded. (SHRM participants = 817; CCA participants = 10)

Question / Response	CCA	SHRM
Is your organization engaging in an analysis to determine the impact of the new health care reform law on your health care plan?		
<input type="radio"/> Will not conduct an analysis and already decided not to drop health care coverage	20%	34%
<input type="radio"/> Currently conducting an analysis	20%	22%
<input type="radio"/> Plan to conduct such an analysis	0%	15%
<input type="radio"/> Already conducted an analysis and already decided not to drop health care coverage	50%	< 1%
<input type="radio"/> Already conducted an analysis and decided to drop health care coverage	0%	< 1%
<input type="radio"/> Unsure at this time	10%	16%
Will your organization pass on to employees any increased or decreased health care coverage costs (e.g., premiums, co-pays, etc.) in 2011 that may be directly or indirectly related to the new health care reform law?		
<input type="radio"/> Highly Unlikely	10%	8.5%
<input type="radio"/> Unlikely	0%	17.5%
<input type="radio"/> Likely	40%	35.5%
<input type="radio"/> Highly Likely	20%	16.5%
<input type="radio"/> Unsure at this time	30%	22.0%
Is your organization considering alternative health care plans (e.g., less expensive coverage plans, health savings accounts, self-funding, etc.) as a result of the new health care reform law?		
<input type="radio"/> Yes	50%	34%
<input type="radio"/> Unsure at this time	0%	36%
<input type="radio"/> No	50%	30%
Even though it may be an economically sound decision for your organization to drop health care coverage and pay the opt-out fine, what would be your organization's <i>primary reason</i> for keeping health care coverage?		
<input type="radio"/> Dropping health care coverage would lower employee morale and satisfaction	20%	41%
<input type="radio"/> Dropping health care coverage would make us non-competitive in recruiting new employees	10%	33%
<input type="radio"/> Dropping health care coverage would show that we do not value the health of our employees.	20%	28%
<input type="radio"/> Dropping health care coverage would significantly increase employee turnover at all levels of org	0%	26%
<input type="radio"/> Dropping health care coverage would make us non-competitive in retaining top employees	20%	26%
<input type="radio"/> Not applicable; offering/keeping health care coverage is more economically sound for my org.	10%	11%
<input type="radio"/> Unsure at this time	10%	7%
<input type="radio"/> Other	10%	5%
If it were an economically sound decision and your organization would be likely to drop health care coverage and pay the opt-out fine, what would be your organization's <i>primary reason</i> for doing so?		
<input type="radio"/> Dropping health care coverage would save the organization a substantial amount of money	40%	32%
<input type="radio"/> Dropping health care coverage and providing an equal amount of compensation to employees to replace the loss would be viewed positively by employees	0%	14%
<input type="radio"/> Dropping health care coverage would encourage employees to take more responsibility for making sound health care decisions	0%	9%
<input type="radio"/> Dropping health care coverage would ultimately lower employees' total contributions to their health care coverage	0%	9%
<input type="radio"/> Not applicable; would not drop health care coverage	60%	10%
<input type="radio"/> Unsure at this time	0%	50%
<input type="radio"/> Other	0%	5%

*SHRM Research: Health Care Reform Poll (www.shrm.org/research)

Special Offer from WorldatWork – Offer Ends Sept. 30, 2010

WorldatWork has just announced a new special offer available through September 30, 2010. As part of the WorldatWork Local Network, the Columbus Compensation Association and our members are encouraged to participate.

The value of education and job knowledge has never been more important than now. WorldatWork Courses and Self-Paced E-Learning Courses allow you to gain the knowledge you need to get ahead while helping you stretch your training budget. For all HR practitioners, now is the time to take advantage of education and certification to position yourself for future success, even in these difficult times. And if you've already taken one or more certification preparation courses through our association or directly through WorldatWork, you should be thinking about getting your professional certification this year. Certification will unlock your future success by demonstrating your strategic value to your organization.

Please visit www.worldatwork.org/specialoffers directly to register for your course and self-paced course at a significant savings and to find out all the details of this offer. **SAVE BIG! Buy any course (classroom, online, or self-study) and get a Self-Paced E-Learning Course for half-price.** (Promotional Code: PRMED310A). **Offer ends September 30, 2010.** If you need additional details on the promotion, a link to the frequently asked questions may be found on the association website: www.columbuscomp.org.

Save the Date – Upcoming Meetings & Courses

Meetings:

Date	Time	Speaker	Topic
Nov. 16, 2010	Breakfast	Cara Welch Dir Public Policy, WorldatWork	Legislative update affecting total rewards professionals
2011 Meeting Calendar: The CCA Board is working diligently to determine appropriate programming for 2011 meetings. While these details are yet to be finalized, please mark your calendars to plan to attend the following meetings in 2011:			
February 16, 2011		Lunch Meeting	
April 14, 2011		Breakfast Meeting	
June 21, 2011		Lunch Meeting	
September 21, 2011		Breakfast Meeting	
November 15, 2010		Breakfast Meeting	

*All meetings held at the Fawcett Center.

Courses:

Date	Course
October 18 & 19, 2010	C1: Regulatory Environments for Compensation Programs
October 18 & 19, 2010	T3: Quantitative Methods
April 25 & 26, 2011	T1: Total Rewards Management
June 6 & 7, 2011	C17: Market Pricing: Conducting a Competitive Pay Analysis
August 8 & 9, 2011	T4: Strategic Communication in Total Rewards
October 17 & 18, 2011	C2: Job Analysis, Documentation, and Evaluation

*All courses held at the Quest Business Center. Register at www.worldatwork.org/register/cca

2011
Courses
Listed!

2010 Columbus Compensation Association Board Members

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<p>VICE PRESIDENT MEMBERSHIP Rupal Brich, CCP Sr. Compensation Consultant Sterling Commerce, Inc. 4600 Lakehurst Ct PO Box 8000 Dublin, OH 43016 614-791-5715 office 614-734-5751 fax Rupal_Brich@stercomm.com</p>	<p>SECRETARY Teri Martise, CCP, PHR Sr. HR Generalist Limited Brands 3 Limited Parkway Columbus, OH 43230 614-415-8167 office 614-577-3308 fax tmartise@limitedbrands.com</p>		
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Watch for Your Next CCA Newsletter in November

A major purpose of the Columbus Compensation Association (CCA) is to enhance and promote the total compensation profession. If you are interested in providing content for the newsletter or feedback, please contact info@columbuscomp.org. Deadline for content for submission is **November 1, 2010**.



Columbus Compensation Association

is pleased to sponsor the following:

Regulatory Environments for Compensation Programs

WorldatWork Certification Course C1

October 18 & 19, 2010

Class starts at 8:30 a.m.

About the Course:

Learn U.S. Federal Requirements All Compensation Professionals Should Know

Human resources professionals are challenged with understanding and staying current with U.S. Federal regulations. This basic-level course presents an overview of the regulatory requirements for compensation programs. You'll cover the major federal statutes that affect compensation design and practice.

- Analyze the labor regulations that focus on either a specific type of employer or have been utilized in compensation disputes.
- Examine the many issues related to FLSA, including record-keeping requirements and potential penalties.
- Explore discrimination legislation relating to compensation.

Who Should Attend:

Course C1 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.

Location:

The seminar will be held at the Quest Business Center, 8405 Pulsar Place (corner of Rt. 71 & Polaris Parkway).

Credits:

CCP = Required; Recertification: 2 credits for course, .5 for Exam; CEUs = 1.5 credits course, .3 for exam; PHR/SPHR/GPHR recertification hours = 16 (classroom)

Cost:

\$1,015 for CCA or Midwest association member

\$1,125 for non-CCA WorldatWork member

\$1,645 for non-CCA and non-WorldatWork member

Register Today: www.worldatwork.org/register/cca



Columbus Compensation Association

is pleased to sponsor the following:

Quantitative Methods WorldatWork Certification Course T3 October 18 & 19, 2010 Class starts at 8:30 a.m.

About the Course:

Understand HR Statistics

This basic-level course focuses on general quantitative concepts, basic statistical tools, the mathematics of total compensation 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.

- Learn basic quantitative concepts and the four levels of measurement.
- Understand how to define and compare percents, market index, and compa-ratios
- Study the time value of money – including compound interest and the compound salary growth rate
- Find out how to collect, analyze, and accurately display statistical data
- Learn how to determine central tendency and measures of central tendency
- Discuss measures of variability
- Explore shapes of distribution.
- Gain an understanding of modeling and regression analysis.

Who Should Attend:

Course T3 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 compensation management. It is assumed that they have had no formal exposure to statistics, but have taken a basic algebra course.

Location:

The seminar will be held at the Quest Business Center, 8405 Pulsar Place (corner of Rt. 71 & Polaris Parkway).

Credits:

CCP = Required; Recertification: 2 credits for course, .5 for Exam; CEUs = 1.5 credits course, .3 for exam; PHR/SPHR/GPHR recertification hours = 16 (classroom); GRP Equivalency: GR2

Cost:

\$1,015 for CCA or Midwest association member
\$1,125 for non-CCA WorldatWork member
\$1,645 for non-CCA and non-WorldatWork member

Register Today: www.worldatwork.org/register/cca