

January 2011



Columbus Compensation Association

www.columbuscomp.org
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2011 Letter from the CCA President

Happy New Year! I would like to welcome back returning colleagues and new members. CCA has another year of stimulating programs, WorldatWork courses, and networking opportunities planned for 2011. Invest in your professional development this year by joining us at our first meeting of the year on February 16th (details included in this newsletter).

The Columbus Compensation Association (CCA) is a member organization dedicated to serving, promoting, and educating compensation and benefits professionals in the Columbus area. We are proud to be one of the largest and strongest WorldatWork local networks in the United States. Our annual membership drive is currently underway. If you have not done so already, please renew your membership. Our member survey indicated that the majority of members joined the organization based on recommendations from their managers/colleagues, so please be sure you invite your colleagues who are not currently members to consider joining CCA.

Our 2010 member survey provided us with several areas of improvement, particularly in the area of the CCA website (www.columbuscomp.org). We have recently worked with our external vendor to upgrade the site to a new content management system and are working on making it more professional, easier to navigate, more informative, and relevant to your profession. In addition, you should soon receive an email with your member login to allow you into the member-only section where you may complete profile updates. Look forward to additional website improvements as the year progresses.

Lastly, I would like to sincerely thank the 2010 Board for their service, particularly our outgoing Facilities Co-Chairs, Fran Wahrman and Holly Bush, who secured our meeting facilities, managed check-in, and all the many arrangements required to ensure our member meetings ran smoothly. In addition, we are excited to have two new members join the 2011 CCA Board of Directors:

- Rebekah Marette: Vice President, Membership
- Meredith Salata: Secretary

If you have any feedback or ideas that may help the Association better serve you, please provide it to me or any member of the Board. I look forward to spending another great year with you!

Sincerely,
Michael Kalan
President, Columbus Compensation Association

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Lunch Meeting Announcement



Program Topic: Promotional Guidelines
Presenter: Kerry Chou, CCP, CBP & GRP
 WorldatWork Senior Practice Leader
Date: Wednesday, February, 16, 2011
Location: The Fawcett Center, 2400 Olentangy River Road

Program Overview

With underfunded salary budgets in the wake of the recent recession and the sluggish recovery, a promotion might have seemed the only way employees could earn substantial pay raises. Yet even those opportunities were fewer and smaller, according to the WorldatWork [Promotional Guidelines Survey](#) report.

The survey of 720 U.S. organizations found that, overall, an average of 7 percent of the employee population received promotions in 2010, down from 8.1 percent in a typical year.

The average size of promotion has declined as well, though officers/executives are feeling the pinch a bit more. The most influential factors in determining the amount of the increase are the pay range of the new position, the rates paid to other employees in similar positions and external pay data. Join us on February 16 when [Kerry Chou](#), a WorldatWork senior practice leader, will share detailed results of the survey and how to position promotions and career advancement as a vital element of your total rewards package.

About the Speaker – Kerry Chou, CCP, CBP, & GRP

Kerry Chou is a senior practice leader in the areas of base and variable compensation, performance management, and market pricing. He has more than 20 years of human resources experience and has worked in a variety of industries including high technology, telecommunications, and transportation.

During his career, Chou held several senior human resources positions at eFunds Corporation, America West Airlines, and Northwest Airlines. Most recently, he served as Director of Global Compensation & Benefits for ON Semiconductor.

Chou was a recipient of the WorldatWork 2006 Publications Contributor of the Year Award for an article he wrote for *workspan* that year. He has been quoted in *The Dallas Morning News*, *Econoplay*, *Sales & Marketing Management Magazine* and several HR trade publications. He served for several years on the WorldatWork National Compensation Advisory Board. Chou holds an MBA in Industrial Relations from the University of Minnesota and B.S. in Sociology from the University of Utah.

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: Thursday, February 10, 2011

- No meeting cost for those who prepaid membership & meeting package for 2011.
- If you register but don't attend, you are still responsible to pay the meeting cost.
- Please register online at <http://www.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.

In the News



- **Seven States See Minimum Wage Increase** (www.compensation.blr.com - 12/23/2010)
 - Seven states increased minimum wage effective January 1, 2011:
 - Arizona – from \$7.25 to \$7.35 per hour
 - Colorado – from \$7.24 to \$7.36 per hour
 - Montana – from \$7.25 to \$7.35 per hour
 - Ohio - from \$7.30 to \$7.40 per hour
 - Oregon – from \$8.40 to \$8.50 per hour
 - Vermont – from \$8.06 to \$8.15 per hour
 - Washington – from \$8.55 to \$8.67 per hour
 - Florida & Missouri require annual cost-of-living adjustments, but the minimum wages for these states will remain unchanged at \$7.25 per hour.
- **Ohio Marks Seventh Month of Job Growth** (www.shrm.org – 12/16/2010)
 - Ohio’s unemployment rate dropped to 9.9% in October, according to data released by the Ohio Dept of Job & Family Services.
- **2011 Base Salary Increases See Modest Rise** (www.shrm.org – 1/5/2011)
 - Information released by the Hay Group, based on their *Salary Budgets Survey*, indicates median base salary increases of 2.8%. In 2010, the median was 2.4%.
 - According to the survey, top performers are receiving only slightly higher increases of 3.1%.
- **Obama Signs Tax Bill, Extending Section 127 Benefits for Two Years** (www.shrm.org – 1/7/2011)
 - President Barack Obama signed the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (H.R. 4853) on Friday, December 17, 2010.
 - The legislation extends many of the provisions within the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) and the Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA) for a two-year period.
 - Section 127, Employer-Provided Education Assistance, allows employees to use up to \$5,250 in employer-provided tuition assistance for graduate, undergraduate, or certificate-level education and training tax-free.
 - Key provisions included:
 - Extends federal unemployment benefits for an additional 13 months, through December 2011.
 - Allows a credit of 25% for child care expenses, and 10% for child care resources
 - Terminated the “Making Work Pay” credit and replaced it with a one year payroll tax reduction where the employee FICA portion will drop to 4.2%.
 - Employers may reimburse for transit-related benefits up to \$230/month.
 - Exclusion from income adoption expenses paid to an employee.
 - Work Opportunity Tax Credit (WOTC) – employers may claim an opportunity tax credit equal to 40% of the first \$6,000 of wages paid to new hires of one of nine targeted groups, including families receiving benefits under the Temporary Assistance to Needy Families program, qualified veterans, designated community residents, and others.
- **94% Concerned About Money, Only 53% Saving for Retirement** (www.compensation.blr.com – 1/14/2011)
 - ING surveyed 10 countries, including the U.S. and found that approximately 89% of respondents want to improve how they manage their finances.
 - 97% of American respondents fully understand that the earlier you start saving, the better off they will be. However, only 53% are currently saving for retirement.
 - Reasons for not saving for retirement included:
 - Not knowing where to start (29%)
 - Postponing getting started (23%)
 - Needing help, but not knowing where to get it (18%)
- **Changes to Exec Comp Programs Focus on Improving Alignment with Organizational Performance, Managing Perceived Risks** (www.worldatwork.org – 1/19/2011)
 - Mercer’s “Executive Compensation and Performance 2011” survey was conducted in November 2010. The study examined executive compensation design for short- and long-term incentives, as well as addressing say on pay legislation.
 - 65% of organizations have introduced in 2010, or plan to introduce in 2011, new financial performance measures in their annual incentive programs. 50% of companies have introduced in 2010 or are considering adding in 2011 new nonfinancial metrics to their annual incentive plans.
 - Nearly 60% of companies expect 2010 annual incentive plans to pay out at or above target levels.
 - 68% of organizations made LTI grants in 2010 that were consistent with the target levels for 2009. More than 50% of organizations plan to maintain 2011 grant values relative to 2010.
 - The most anticipated changes by organizations to LTI programs for 2011 are a decrease in the use of stock options and an increase in the use of service-based restricted stock units (RSU’s) and performance share/units.
 - Approximately 50% of organizations indicate they are uncertain as to whether they will make any disclosure changes as a result of say-on-pay rules, while most other companies plan on making minimal changes.

November Meeting Recap

On Tuesday, November 16, 2010, welcomed back Cara Woodson Welch, Director of Public Policy for WorldatWork to provide a Total Rewards Legislative Update. In her engaging manner, Welch provided us with an update on key issues facing Congress and the Obama Administration, particularly the impact of the recent elections. Welch provided updates on potential bills and regulations impacting compensation, potential changes in executive compensation, pay equity, benefits (including 401(k) plans, paid time off, and healthcare reform. Highlights from each branch of the government:

Legislative Branch:

Welch discussed many topics in this area, including the effect of midterm elections, impact of the 111th Congress on benefits, compensation and work-life, the Lame Duck Session, and what is on tap for the 112th Congress. Midterm elections and wins by the Republicans mean they will control congressional redistricting. The 111th Congress introduced/impacted items such as Health Care Reform (a separate handout on this was provided to attendees), Preservation of access to Care for Medicare Beneficiaries and Pension Relief Act of 2010, FMLA expansion, Financial Regulatory Reform, Lilly Ledbetter Fair Pay Act, Federal Telework Legislation, and the designation of October as National Work and Family Month. The Lame Duck session is an opportunity for Democrats to push last minute items through the House and secure votes in the Senate. Possibilities included the Paycheck Fairness Act, Temporary Unemployment Benefits/COBRA extension, Bush-Era Tax Cuts, and a Continuing Resolution-Stopgap spending plan. In the 112th Congress, items on the horizon might include changes to financial regulatory reform and health care reform, as well as items impacting retirement security.

Judicial Branch:

Welch discussed the composition of the U.S. Supreme Court members, including the newest member Sonia Sotomayor. Key issues that might be decided by the Supreme Court include constitutional right to privacy (*NASA v. Nelson*), Employee Retirement and Income Security Act (*Cigna Corp. v. Amara*), discrimination (*Staub v. Proctor Hospital*), Anti-retaliation (*Thompson v. North American Stainless* and *Kasten v. Saint-Grobain Performance Plastics*). Welch indicated the December *workspan* had additional information on many of these issues.

Executive Branch:

Welch expects a significant increase in new laws and regulations impacting Human Resources originating from the Executive Branch, including state incentives for innovation, employer and individual mandates, emphasis on domestic employee issues (e.g., labor, pay equity, expansion of paid leave, retirement), and increased use of the bully pulpit. Welch described the impact of federal agencies and the regulatory processes, particularly “enabling legislation” and the “rulemaking” process. In Benefits, the discussion surrounded Health Care Reform, Retirement Security, and FMLA. For Compensation, the focus is on Financial Regulatory Reform, Pay Equity and the Equal Pay Act, and updated recordkeeping requirements related to the FLSA. Work-life issues surrounded Middle Class Working Families Task Force, White House Council on Women and Girls, and regional forums by the DOL on Workplace Flexibility.

Benefits of CCA Membership

Our membership renewal campaign is currently underway. If you do not receive your membership renewal packet, please reach out to us at info@columbuscomp.org. As a reminder, CCA Membership Benefits include:

- Discounted WorldatWork Courses held in Central Ohio
- Discounted Meeting & Seminar Fees
- Membership Directory
- Discounted Meeting & Seminar Fees at Local Network Partner Associations in our region
- Excellent networking opportunities
- Member Newsletters
- Enhancement of Professional Knowledge & Skills
- Complimentary Job Postings on the CCA Website
- Individual Membership that transfers with the Member

Save the Date – Upcoming Meetings & Courses

Meetings:

2011 Meeting Calendar: Please mark your calendar to attend the following meetings.

April 14, 2011	Breakfast Meeting
June 21, 2011	Lunch Meeting
September 21, 2011	Breakfast Meeting
November 15, 2011	Breakfast Meeting

*All meetings held at the Fawcett Center.

CCA Sponsored Courses:

Date	Course
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.

Local Network Partner Sponsored Courses:

Sponsor	Location	Date	Course
Bluegrass Compensation Association (www.bluegrasscomp.com)	Lexington, KY	July 19-20	C12: Variable Pay
Compensation & Benefits Professionals of Indiana (www.cbpi.org)	Indianapolis, IN	April 11-12	C12: Variable Pay
		Oct. 17-18	C17: Market Pricing
Greater Cincinnati Compensation & Benefits Association (www.gcoba.com)	Cincinnati, OH	April 4-5	C2: Job Analysis
		Oct. 10-12	T2: Accounting & Finance
Louisville Compensation Association (www.loucomp.net)	Louisville, KY	April 14-15	C1: Compensation Regulatory Environments
		Oct. 6-7	C17: Market Pricing
Penjerdel Employee Benefits Association (www.peba.org)	Philadelphia, PA	March 23-24	B12: Benefits Outsourcing
		March 23-24	C1: Compensation Regulatory Environments
		May 18-19	C4: Base Pay Administration
		June 15-16	B1: Benefits Regulatory Environments
		June 15-16	T4: Strategic Communication
		July 20-21	T3: Quantitative Methods
		Sept. 14-15	B3: Health & Welfare Plans
		Sept. 14-15	C17: Market Pricing
		Oct. 12-13	T1: Total Rewards
		Nov. 9-10	T2: Accounting & Finance
Nov. 9-10	C12: Variable Pay		
Western Pennsylvania Total Compensation Group (www.wptca.org)	Pittsburgh, PA	Feb. 7-8	T4: Strategic Communication
		May 16-17	GR7: International Remuneration
		Aug. 8-9	C4: Base Pay Administration
		Nov. 7-8	T3: Quantitative Methods

*CCA members are eligible for discounted rates with our Local Network Partners.

2011 CCA Board Members

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Watch for Your Next CCA Newsletter in mid-March

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 **March 4, 2011**