



July 2011

Columbus Compensation Association

www.columbuscomp.org
info@columbuscomp.org

WorldAtWork Course

T4: Strategic Communication in Total Rewards

August 8 & 9, 2011

Quest Business Center

Register Now! www.worldatwork.org/register/cca

For more details, see the attached flyer.

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Technology Update

Columbus Compensation is diligently working to update our website with new functionality to better serve you. In June, we launched members-only access to the website. This allows us to share our membership directory online in real time and also allows members to submit profile updates directly to the website. Your online member profile will contain the information the association will use as the primary method to contact you in the future. Please be sure to review and/or update your profile. *If you did not receive your member login credentials, please send a note to info@columbuscomp.org.*

Future enhancements to the web site that are being pursued include (1) the ability to make online credit card payments for memberships, beginning with the 2012 membership drive, and (2) community forums on a variety of topics. Please watch this space as we continue to improve the online capabilities of our website.

Consulting Opportunities

From time to time, CCA is contacted by local companies looking for compensation consultants for short- and/or long-term projects they may have. CCA has compiled a small list which we provide as a courtesy; however, we do not warrant the list. It is the company's responsibility to reach out directly to the consultants listed and determine who they will use. If you know of someone we should include on this list, or you would like to be included on the list, please send us a note to info@columbuscomp.org and provide us your name, your company name (if applicable to your consulting), best methods to reach you, and any brief information about your specialties to include on this list.

June Meeting Recap: Key Trends in Executive Comp with Michael J. Halloran, Senior Partner at Mercer

On June 21st, Columbus Compensation Association sponsored Mike Halloran, Senior Partner with Mercer, who covered the topic of “Key Trends in Executive Compensation.” Mr. Halloran covered executive compensation topics, such as CEO Compensation trends, Pay for Performance, LTI Plan Design issues, Say on Pay, Dodd-Frank Issues, and specific considerations for Non-Profits.



CEO Compensation Highlights:

- Revenue and net income rose while total shareholder return fell during 2010 (based on S&P 500).
- Total Pay increased to \$9.0 million dollars, with increases in all elements (e.g., salary, bonus, stock grants, performance plans, options, perks, retirement, etc.) – based on the S&P 500.
- 2008 and 2009 were impacted by the downturn and most companies are not back to 2007 levels. In contrast, CEO total pay increased significantly in 2010 (-6.8% in 2008, 10.3% in 2009, 28.2% in 2010).
- CEO bonus payouts increased across the board in 2010 despite performance.
- Equity grant practices have changed dramatically in the last five years, moving away from pure restricted stock to the utilization of different vehicles (performance shares, options, etc.).

Pay for Performance Highlights:

- Pay for performance continues to evolve. Mr. Halloran contrasted the “old style” pay for performance environment to the current environment. The new environment uses more realistic peer groups (vs. aspirational), median target pay (vs. above median), balance of internal/external focus (vs. purely internal), less discretion, portfolio of LTI vehicles, and more risk assessment.
- Pay for performance design should start with guiding principles. Mr. Halloran provided some considerations to use when determining guiding principles. Some examples include looking at the business strategy, how performance should be defined (1, 2-3 years, 3-5 years, etc.), desired target pay position, etc.
- Once you have determined what your pay for performance orientation is, that impacts how your compensation packages are designed, with impact on the mix of pay and the target pay position. Performance targets need to support pay positioning.

LTI Plan Design Highlights:

- LTI over the last few years has moved away from options and towards performance-based awards.
- Most companies continue to use options, but as part of a broader portfolio. 68% use options in their portfolio.

Say on Pay Highlights:

- As of June 9th, nearly 75% of the Fortune 500 has issued their proxies and 71% had annual meetings. Say on Pay passed at all but six companies (Constellation Energy, HP, Jacobs Engineering, Masco, Stanley Black & Decker, and Tutor Perini).
- Trend is on annual voting for the Say on Pay.
- 65% of companies in the Fortune 500 had favorable votes in the 90-100%, which demonstrates a strong endorsement for company pay programs.

Other Dodd-Frank Issues & Non-Profit Highlights:

- Mike discussed tentative SEC timelines for Dodd-Frank implementation. In particular, discussion surrounded the disclosure on pay for performance, internal pay equity, and hedging policies.
- Non-Profit pay is under increased scrutiny. In some states (e.g., Massachusetts) are outlawing Board pay at non-profits. IRS has increased requirements to ensure reasonable pay at non-profits.

Benefits of CCA Membership

CCA Membership Benefits include:

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

In the News – Super-Sized!

With our summer hiatus from meetings until Sept. 21st, please enjoy this super-size section of *In the News*.



Final FLSA Rule Provides Guidance on Tip Credit Notice (www.shrm.org – 04/08/2011)

- Effective May 5, 2011, an employer must inform a tipped employee before it uses the tip credit, but the notice need not be in writing.
- An employer must inform a tipped employee about:
 - The direct cash wage the employer is paying a tipped employee, which can be no less than \$2.13/hour.
 - The additional amount the employer is using as a credit against tips received, which cannot exceed the difference between the FLSA's minimum wage and the cash wage paid by the employer to the employee.
- In addition, the employer must notify the employee that:
 - Additional amount claimed by the employer for tips may not exceed the value of tips received by the employee.
 - Tip credit will not apply unless the employee has been informed of the tip credit.
 - All tips must be retained by the employee except for the pooling of tips among employees who customarily and regularly receive tips.
 - In all cases, an employer is prohibited from using an employee's tips for any reason other than as a tip credit to make up the difference between the required cash wage paid and the minimum wage or in furtherance of a valid tip pool.
- While a written notice is not required, employers might want to provide one to show documentation that they have satisfied the department's regulation on informing tipped employees.

Top-Paid Majors for the Class of 2011 (www.shrm.org – 04/13/2011)

- According to the Spring 2011 Salary Survey by the National Association of Colleges and Employers (NACE), engineering accounts for 7 of the top 10 spots on the list.
- The top-paid majors (in order of salary offers made) included: chemical engineering, computer science, mechanical engineering, electrical/electronics & communications engineering, computer engineering, industrial/manufacturing engineering, systems engineering, engineering technology, information sciences & systems, and business systems networking/telecommunications.

Have you read a good compensation news article? We'd love to hear from you! Send a note to info@columbuscomp.org with a link to the article or the location and title of the article. You may see it referenced in our next newsletter and/or in the Current News section of the website.

Pizzeria Racks up \$800,000 Tab for Wage Violations

(compensation.blr.com – 04/13/2011)

- Martino's Pizzeria Inc. (dba Mama's Pizzeria & Restaurant) was ordered to pay \$780,000 in back wages and liquidated damages to 40 employees as a result of a lawsuit brought by the DOL.
- \$390,000 was for minimum wage and overtime back wages; \$390,000 in liquidated damages; and \$20,000 in civil penalties for willful violation of the FLSA.
- Employees were frequently required to work 70 to 80 hours without overtime compensation and were paid less than the federal minimum wage. Employees were paid partly in cash off the books and no time or payroll records were kept.

CEO Compensation Rebounds, Shareholders Say 'OK' (www.shrm.org – 04/15/2011)

- According to an analysis of proxy statements by Towers Watson, compensation for CEOs at the biggest U.S. Corporations has rebounded strongly in 2010.
- In addition, in first quarter 2011, most companies received strong shareholder support for their say-on-pay proposals.
- Median total cash compensation (base pay plus annual and discretionary bonus payments) increased 17% in 2010 vs. 3% in 2009.
- Total direct compensation (total cash plus grant value of long-term incentives, stock options, and long-term performance plans) increased 9% in 2010 vs. a 1% decrease in 2009.
- Only four companies failed to win majority support for their say-on-pay proposals through the first quarter of 2011. Three-fourths of the proposals won more than 90% support.

7th Circuit: Ledbetter Fair Pay Act Applies Retroactively (www.shrm.org – 04/15/2011)

- In their decision on the appeal for the Groesch v. City of Springfield, the 7th U.S. Circuit of Appeals held that the Lilly Ledbetter Fair Pay Act applies retroactively to claims pending as of May 28, 2007.

Top Paying Jobs for Women (www.forbes.com – 04/20/2011)

- *Forbes* recently released the top-paying jobs for women in 2011. Occupations in technology and health care topped the list, which included (in no particular order): physicians and surgeons, pharmacists, physical therapist, speech-language pathologists, computer and software engineers, computer and information systems managers, computer programmers, CEO's, lawyers, and HR Managers.

Most Workers Comfortable Negotiating Salary with new Employer (<http://compensation.blr.com> – 5/2/2011)

- Nearly 80% of respondents said they are comfortable negotiating a higher salary or better benefits, with 44% indicating they are “very comfortable” according to a survey of 400 workers ages 18 years of age or older in an office environment that was conducted by Robert Half International.

**Only 7 Percent of Working Moms Earn 6 Figures: CareerBuilder Mothers' Day Survey**

(<http://compensation.blr.com> – 5/5/2011)

- CareerBuilder surveyed men and women with children 18 and under living in the household from Feb. 21 to March 10th.
- 33% of working moms and 44% of working dads said they are the sole financial provider for the household.
- Working moms were 3 times as likely to earn less than \$35,000, while working dads were more than twice as likely to earn \$50,000 or more and nearly 3 times as likely to earn six figures.
- 28% of moms earn \$50,000 or more compared to 63% of the men.
- 7% of moms earn six figures, compared to 18% of men.

Is Commute Time Ever Compensable? (<http://compensation.blr.com> - 6/7/2011)

- In *Kuebel v. Black & Decker*, U.S. Court of Appeals for the 2nd Circuit, judges ruled that regardless of what tasks the employee performed at home before and after work, the continuous workday clock did not begin and did not include his commute.
- The employee worked for B&D travelling from his home to Home Depot stores to do in-store marketing and sales.
- The employee was awarded back overtime for the separate issue of unrecorded overtime. A jury will determine whether B&D “willfully” refused to pay overtime.

Majority of IT Leaders Would Leave Job for Raise, Half for Promotion (<http://compensation.blr.com> - 6/21/2011)

- According to a TEKsystems quarterly IT Executive Outlook survey, 70% of IT leaders would leave their job for an increase in compensation; 53% would leave for an immediate or near term promotion.
- 49% cite a lack of advancement opportunity as the worst aspect of working in their current IT department.
- Best job features included work/life balance, the team, the culture, and the technologies utilized.

4th Circuit: Donning and Doffing Protective Gear was ‘Work’ Under FLSA (<http://www.shrm.org> - 6/23/2011)

- Mountaire Farms slaughters, processes, and distributes chickens. Employees wore protective gear. Mountaire pays employees based on when the first chicken arrives at the first workstation and ends when the last chicken leaves the work station on each production line. The company provides an unpaid meal break. Most employees sanitize their protective gear before leaving production for their meal break to avoid their meal being contaminated by raw chicken.
- The employees sued, claiming that they should be paid for donning and doffing their gear, including the time spent sanitizing before meal periods.
- In *Perez v. Mountaire Farms*, on appeal the 4th Circuit held: “1) time spent by employees donning and doffing protective gear at the beginning and end of the work day is compensable ‘work,’ which has to be paid at the regular rate, and, if those activities cause the workweek to exceed 40 hours, count toward overtime; and 2) acts of donning and doffing occurring before and after employees eat their meals are not compensable because those acts are part of the meal period.”

HR Quarterly News & Trends, Q2 2011 (Corporate Leadership Council www.clc.executiveboard.com - 6/28/2011)

- The Corporate Leadership Council released their Quarterly News and Trends for HR on June 28th. Of specific interest to Compensation professionals were the following items:
 - 65% of HR Executives do not expect an increase in HR budgets in the next 12 months.
 - Intent to stay levels, which declined during 2010, has steadily increased over the last two quarters. Employees’ increasing intent to stay coincides with employees’ declining perceptions of job availability.
 - The percentage of employees who received promotions decreased from 18% to 15% following the economic downturn. After two years, promotion rates remain below pre-crisis levels.
 - 65% of HR executives (down from 79% in Q1 2011) anticipate an increase in the average per-employee compensation spend over the next 12 months.
 - A majority of organizations still anticipate an increase in the per-employee compensation spend due to higher merit increases than last year, which in turn will translate into higher base salaries for the entire year.

Avoid the Top Time Wasters to Enjoy More of Your Summer!

Salary.com estimates the average American worker wastes 2.09 hours per 8 hour workday, not including lunch and scheduled break time. With warm weather here, who wants to be cooped up in the office longer than we have to? Avoid the time wasters below using tips from the experts.



- **Lack of planning and organization:** Clarify your priorities and focus on what's important to you. Don't spend the day working without a vision. To feel more productive, create a to-do list and focus on items aligned with your vision. As new tasks arise throughout the day, prioritize them based on their alignment with your vision.
- **Procrastination:** Stop spending time daydreaming & delaying. Create a support system to help your decision-making. Set up ways to hold you accountable to deadlines. Maximize efforts by spending time on essential activities.
- **Interruptions, distractions, drop-in visitors, unplanned telephone calls:** Consider setting specific "office hours" for people to reach you. Don't answer the phone if you need to focus. Ask if the visitor can come back later.
- **Socializing:** Understand the difference between productive socializing and wasting time. Moderation is the key.
- **Not Saying "No", Shoulds, & Guilt:** Evaluate requests against your vision before deciding whether to agree to accept the task. Value your time, decide how it is best spent, and be realistic with your commitments to ensure you can meet your deadlines with a quality product.

Want to Know More? Check out these links for additional information on wasted time:

www.cbri.com/news_controlling_wasted_time.php

www.business-personal-coaching.com/top10timewasters.html

www.davidsonstaffing.com/articles/salary/wasted-time

www.qualitycoaching.com/articles/timewasters.html

Save the Date – Upcoming Meetings & Courses

Meetings:

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

September 21, 2011 (Breakfast Meeting)	Alignment between Annual Merit Rating & Incentive Pay: When & How to Make This Move	Jerry Colletti Colletti-Fiss
November 15, 2011 (Breakfast Meeting)	Public Policy Update – Impact on Total Rewards (2012 Board Elections will be held at this meeting**)	Katie Vliestra WorldatWork

*All meetings held at the Fawcett Center.

**If you are interested in joining the 2012 Board, please reach out directly to Michael Kalan, CCA President.

CCA Sponsored Courses:

Date	Course
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
Compensation & Benefits Professionals of Indiana (www.cbpi.org)	Indianapolis, IN	Oct. 17-18	C17: Market Pricing
Greater Cincinnati Compensation & Benefits Association (www.gccba.com)	Cincinnati, OH	Oct. 10-12	T2: Accounting & Finance
Louisville Compensation Association (www.loucomp.net)	Louisville, KY	Oct. 6-7	C17: Market Pricing
Penjerdel Employee Benefits Association (www.peba.org)	Philadelphia, PA	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
Western Pennsylvania Total Compensation Group (www.wptca.org)	Pittsburgh, PA	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.

Get to Know Your Board - Spotlight on: Rebekah Marette, Vice President of Membership



Rebekah Marette has been a member of CCA for three years and currently holds the role of Vice President of Membership. According to the CCA Bylaws, the VP Membership is responsible for: “Recruit and represent CCA to prospective new members. Process new member applications. Manage the annual membership drive and maintain membership records including the membership roster.” Rebekah has worked closely with our Technology Chair, Mark Briggs, to update member records and publish the online membership directory that was recently released. We asked Rebekah some questions about her first Board role with the association:

CCA: Why did you get involved with the CCA Board and what have you gained from your participation?

R.M.: Other Board members encouraged me to get involved with the CCA Board and I was excited about the opportunity to represent our organization and build the Columbus compensation community network. Through my involvement on the Board, I have been able to meet many new and existing CCA members and work with the other talented compensation professionals on the CCA Board.

CCA: Please tell us a bit of your employment background and/or career highlights.

R.M.: I started my career four years ago as a Compensation Analyst at Tween Brands and have worked at Express, Inc. for the last two years. My current role is Senior Compensation Analyst. My main focus is stores’ compensation and I currently work on designing base and variable pay structures for our domestic and international stores.

CCA: What certifications do you hold? How have they been useful in your career?

R.M.: I am currently working towards my CCP and only have three more courses to go! The courses I have taken have had strong applications to my daily work and I often reference my course binders for anything from statistical formulas to plan design practices and total rewards definitions. The opportunity to network and work with other compensation professionals on case studies during the courses has been invaluable.

CCA: In what ways do you see yourself as a strategic partner within your organization?

R.M.: As Express adds new stores in the U.S. and expands internationally, I work hard to understand our business strategy and translate it into competitive, compliant, and cost effective compensation programs for our stores. Collaborating with my cross-functional business partners has been critical to ensuring that the new compensation programs are aligned with business objectives and supported by leadership. As a result, the new compensation programs are understood and the change is embraced by the organization.

CCA: How do you see the compensation profession changing or evolving in the next 5 years?

R.M.: I think that the growing diversity in today’s workforce will drive compensation professionals to think more critically and creatively about how to differentiate and tailor compensation programs to attract and retain a multigenerational, multicultural workforce. Compensation professionals will have to consider differentiating factors that can determine compensation rewards, such as performance, job family, and geography, as well as generational and cultural values.

CCA: Finally, is there anything else you would like to share about yourself or your family?

R.M.: I am an OSU graduate and have lived in Columbus my whole life. I am the oldest of five girls in my family and enjoy spending time with my sisters. My husband and I are very involved in our church and love to travel to warm tropical places. We are looking forward to our upcoming vacation to Hawaii at the end of the month.

Members – Want to Get Involved? Here’s how you can help Rebekah:

- Provide Rebekah feedback regarding how we can enhance and create value in your membership experience.
- Volunteer to assist in recruiting and welcoming new members and helping plan member events to grow CCA.
- Bring a friend or colleague as a guest to a CCA meeting and invite them to join the Association.

For other ways to get involved with your association, please go CCA website [Volunteer Information](#) page, contact us at info@columbuscomp.org, or reach out to any member of the CCA Board. Information on the focus for each of the Board positions is contained in the Bylaws on the CCA website.

2011 CCA Board Members

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Watch for Your Next CCA Newsletter in mid-September

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 **September 1, 2011**

REGISTER TODAY!



Strategic Communication in Total Rewards

CERTIFICATION EXAM: T4/GR9*

Make Sure Employees 'Get It'

This course provides an introduction to strategic communication, focusing on total rewards communication. It begins by establishing the purpose and value of strategic communication along with discussing how behaviors can be influenced by communications. In addition, an eight-step process is detailed providing guidance for creating an effective and efficient communication campaign. Case studies provide participants an opportunity to apply the eight-step process. Furthermore, specific communications related to each of the total rewards elements are highlighted, as are suggestions for communicating special situations, such as a merger or acquisition.

- Learn the rationale for strategically planning a communication campaign
- Discuss the characteristics of effective communication
- Obtain an understanding of the eight steps of the communication process
- Identify the appropriate communication channel to deliver the message
- Review specific total rewards communications considerations and special situations
- Find out how to effectively and efficiently manage your communication campaign

WHO SHOULD ATTEND This course is designed for those experienced in the employee compensation and benefits fields or for those who would like to broaden their total rewards perspective. This course is strategic in nature and is designed for participants who need to focus primarily on the design and direction of communication.

WHAT YOU WILL LEARN

- Communication Strategy and Total Rewards
- Communication Fundamentals
- The Strategic Communication Process: Steps 1-4
- The Strategic Communication Process: Steps 5-6
- The Strategic Communication Process: Steps 7-8
- Total Rewards Communication and Special Situations

CREDITS

- CCP: Required
- CBP: Required
- GRP: Required
- Recertification: 2 Course, .5 Exam
- CEUs: 1.5 Course, .3 Exam
- CPEs: 16
- CPT: 12 Points
- PHR/SPHR/GPHR Recertification Hours: 16 (Traditional Classroom); 14 (Instructor-Led Live Online)

For more information visit www.worldatwork.org/education

REGISTER TODAY!

DATE

LOCATION (CITY, STATE)

SPONSORED BY

TO REGISTER, CONTACT

06/10

*WorldatWork Society of Certified Professionals®, an affiliate of WorldatWork, administers the exams required for attaining the prestigious Society designations.

