

Guide to Total Compensation Statements...Options, Process & FAQ's

"Even the most comprehensive, all-inclusive benefits package will fall short if employees fail to realize its value."

Effective, consistent and personalized communication is key to helping employees understand and appreciate the true value of their total compensation. Employers and HR personnel understand this value and can implement annual statements to help...

- Improve the ROI of current benefits expenditure
- Increase employee engagement through personalization
- Attract quality employee talent
- Retain their most valuable employees
- Increase spousal awareness and appreciation of benefits

Our Total Rewards statements accomplish these goals and...

- Are attractive, informative and enhance your company's image
- Crafted to fit your company's design aesthetic and branding
- Written to communicate in clear, concise language even the most complex benefit programs
- Are available in print or online
- Include a personal, customizable message for employee groups
- Highlight each available benefit and service provided
- Personalized to show individual enrollment status, plan election and employer/employee cost for each available benefit
- Confine benefits that apply to a specific group only on statements of employee eligible for that benefit (ex. car, uniforms, cell allowance)
- Include personalized options for prompting employee actions (such as 'retirement eligible' statements)
- And more!

A little about us...

The CBC Group was formed in 2002 and specializes in the communication and promotion of employee benefit plans. We work with a variety of organizations, both corporate and governmental, ranging in size from 15 to 15,000+ employees. We build our client base through online and direct mail marketing, membership in HR associations and referrals from brokers & consultants. Our services include...

- **Custom Total Compensation/Rewards Statements.** Personalized Custom statements can accommodate a full array of complex benefits plans, provide multiple layout, design and delivery options and come complete with graphic design services and available fulfillment services.
- **On-Demand Total Compensation Statements.** Affordable, personalized On-Demand statements showcase the value of your benefit plans through a selection of attractive, streamlined templates that you print and distribute in-house.
- **Enrollment Confirmation Statements.** These personalized statements are designed to confirm individual benefit elections and payroll deductions and help assure the accuracy of the new enrollment data.
- **Benefit Portals.** Custom web portals designed to help HR organize and streamline employee benefits administration. The system provides employees with around-the-clock access to their personal benefit information, links to providers, access to documents and forms, easy online enrollments and more.
- **Benefits/Enrollment Guides.** Created to highlight and promote your company's unique benefit plans and provide instructions for new hire/open enrollments.

When you work with us, you can expect...

- Attractive, affordable products and services provided for your employees or clients under your direction
- A complete "back office" for benefit communications
- Expertise and experience in our field
- Service to support and enhance your position within the company or with your clients

FAQ's for Total Compensation Statements

You offer two total compensation statement formats, On-Demand and Custom. What is the difference?

On-Demand statements are personalized total compensation statements designed to save you money because we prepare the statements and deliver to you ready for in-house printing and distribution. On-Demand statements offer a streamlined snapshot of your company's benefit package through a selection of attractive, predesigned templates.

- There are four print-ready templates from which to choose
- You can mix and match elements from the four templates
- Each template offers color options to support your logo and branding
- Statements are designed on 8.5" x 11" letter-size paper for easy printing or viewing online
- Statements are securely delivered to you in PDF file format for self-distribution
- For a small fee, we can deliver statements electronically through our secure network or provide a quote for printing and fulfillment

Custom statements offer more options giving you greater control over the look, layout, content and delivery of your total compensation statements. Custom statements include both graphic design services as well as printing and fulfillment services and are designed to accommodate a full array of complex benefit plans. Options include personalized messages to different employee groups, enhanced benefit plan descriptions, single or multi-page statements, print or electronic delivery and more.

- There are three formats from which to choose...booklet, brochure and letter-size (for electronic statements)
- Layouts are available as single or multi-page statements
- Additional design options include custom color palettes, choice of fonts, image gallery and more
- Statements provide a choice of delivery options including printing and fulfillment services as well as secure online delivery
- Custom statements are created to fit your company's brand and design aesthetic

What do you need to produce Total Compensation Statements?

The data required for On-Demand statements and Custom statements is virtually the same. A general list of the data required to produce statements is included as part of this guide. ([page 7](#))

How long does it take to produce statements?

The process of preparing Total Compensation statements is virtually the same for On-Demand statements and Custom statements. However, the timeline for On-Demand statements is a little quicker due to the streamlined design options and delivery method. A general timeline and outline of the process is included as part of this guide. ([page 6](#))

What security measures do you have in place to protect data?

We are very sensitive to the confidential nature of the data we receive for total compensation statements. It is the policy of The CBC Group to protect confidential information against accidental or unauthorized access, disclosure, modification or destruction and assure the integrity and confidentiality of data throughout its lifecycle. We maintain the highest level of security practices in accordance with our Information Security Policy & Procedures manual to ensure our that our internal and client data is kept secure and safe. Some of our measures include...

- Virus/malware protection
- Hardware and software firewalls
- Drive and file encryption
- Regular and secure backup
- Controlled access to data
- Secure transfer/storage of data

FAQ's for Total Compensation Statements

How do you present employee data?

Total compensation statement data can be presented in one of two ways...either "annualized" or "actual dollars".

Annualized: The "annualized" method converts all per-pay-period or monthly income/benefit costs to an annual basis and as expected, we do most of the calculations for this type of statement. This method does not provide an accounting of earnings and benefits but rather, presents an overall picture of the value of an employee's annual total compensation at a particular point in time. This method provides more flexibility in the timing of statement delivery because it is not tied to fiscal or calendar year-end figures. Also, this method reports cost for the current plan for which an employee is enrolled. For example, if an employee experiences a life event and changes their medical plan from employee only to employee/spouse, this method reports an annual cost for employee/spouse coverage.

Actual Dollars: "Actual dollars" is more of an accounting of the cost of earnings and benefits. With this method, you provide us actual expenditures per employee for each income/benefit cost and we report as provided. For employees who have been with your company for a full 12 months, the figures will be almost identical to those calculated by the annualized method. Employees who have been with the company for less than 12 months will receive a statement with actual expenditures for the particular time frame illustrated. This method is most effective at calendar or fiscal year end.

Our client base is divided with a little over 70% using the annualized method because it provides more flexibility in the timing of statement delivery. We are well-versed in both methods and our systems are set up to produce accurate statements either way.

What information do you need regarding employee earnings?

Earnings are the first thing employees look to when they receive their total compensation statement. We want to show **all** income that an employee earns including base income plus any and all additional compensation such as Bonuses, Incentive Pay, Commissions, Overtime, or other. We like to show the earnings as separate line items.

For Base Earnings, please provide at least one of the following for each employee.

- a. Annual Salary
- b. Per Pay Period Salary + Number of pay periods
- c. Hourly Rate + Annual Number of Hours annually

For additional compensation such as Bonuses, Commissions, Overtime, or other, please provide the following for each employee

- a. Most recent annual figure

IMPORTANT NOTE: Additional compensation such as bonuses, incentives will be confined to statements of those employees actually eligible for and receiving the benefit. No mention of these benefits will appear on statements of employees not receiving additional earnings.

We provide "fringe" benefits to a few employees. Should we include these even though not all employees are eligible?

Absolutely. We want to include all benefits paid for by the employer. If you provide benefits such as executive compensation, cell phone allowance, car allowance, uniforms, tuition, an EAP program, or other where you can provide a cost per employee, please include in your spreadsheets.

IMPORTANT NOTE: These additional fringe benefits that apply to a certain level of employees will be confined to statements of those employees actually eligible for and receiving the benefit. No mention of these benefits will appear on statements of employees not receiving the benefit.

FAQ's for Total Compensation Statements

What is the "Total Compensation Statement Worksheet"?

The TCS Worksheet is a guide we use to help us gather information about your available benefit plans and customize your statements accordingly. Below is a sample of information we are looking to capture:

Medical, Dental & Vision: If you share in the cost of medical, dental or vision coverage, we request the premiums for the various tiers (employee only, employee/spouse, employee/child or family) for both the employer and employee share

Short-Term Disability: If you provide an STD plan for employees, we request a brief benefit description (ex: 60% up to \$1,000 per week) plus the rate charged (typically per \$10 of weekly benefit)

Long-Term Disability: If you provide an LTD plan for employees, we request a brief benefit description (ex: 60% up to \$5,000 per month) plus the rate charged (typically per \$100 of covered monthly earnings)

Life Insurance & AD&D: If you provide group term life insurance for employees, we request a brief benefit description (ex: 2 times earnings up to \$100,000) plus the rate charged (typically per \$1,000 of benefit)

Retirement: If you provide a retirement plan, we request a brief explanation of the plan.

Voluntary Benefits: If you provide voluntary benefits, we request you check the plans you make available to employees.

Additional Benefits: If you provide additional benefits, we request additional information.

How do you report time off?

If you are using the "Annualized" method, the best way to illustrate time off is to show the annual number of days/hours an employee qualifies for based on years of service and your time off schedule. We can calculate the number of days/hours from the employee's date of hire or you can provide the number of days/hours each employee is eligible for annually. (Note: We do not want to show 1) the number of days an employee has used for the year; 2) what they have left for the year; or 3) any hours they have in their bank.)

If you are using the "Actual Dollars" method, you can illustrate time off as described above or for each employee you can provide the actual number of days/hours used in the 12-month time period along with the value for those days/hours.

Time off includes vacation, sick, PTO, holidays, floating holidays, personal time, or other. We can show time off in days or hours or a combination of the two.

IMPORTANT NOTE: Many of our companies have special time off arrangements with certain employees. If this is the case, these special arrangements should be brought to our attention.

Should we show voluntary benefits on the statements?

We recommend including voluntary benefits because it serves to confirm each employee's personal election in the available plans according to the employer's records. In addition, voluntary benefits enhance the overall compensation package provided to employees. Including them on the total compensation statements helps remind employees that are able to purchase these additional benefits at discounted group rates and promotes the fact that these benefits are an important part of their employment package. Voluntary benefits can be shown as enrolled or not enrolled on the statements or if you are also showing the employee's cost on the statements, you can provide the employee deduction for each benefit.

FAQ's for Total Compensation Statements

What about retirement?

401(k) and 403(b):

If you are using the "Annualized" method, we request each employee's deferral contribution as either a percentage or a flat dollar amount per pay period. If employees contribute under the catch-up option or if you offer a ROTH option, please provide percentage or flat dollar as a separate column as well. We calculate an estimated annual employee contribution based on their deferral and the earnings illustrated in the statements. The estimated annual employer match is also calculated based on your formula, the employee's contribution level, the employee's salary and IRS guidelines.

If you are using the "Actual Dollars" method, for each employee please provide the actual deferral for the 12-month time period as well as the employer matching contribution.

On Custom statements, we also request a current account balance for each employee. Custom statements show conservative, hypothetical retirement projections based on figures presented in the statements. Custom statements can also include an optional retirement eligible illustration designed to increase participation for those eligible but not currently participating in the plan.

Other Retirement Plans:

We want to include all available retirement programs, such as a profit share, RAP, executive retirement, ESOP or other.

IMPORTANT NOTE: We have many companies who have "frozen" retirement plans such as pension plans that are no longer offered to new employees. On Custom statements, we can illustrate these retirement benefits only on the statements of employees receiving or eligible for these plans. Please provide this information and call to discuss if you have any questions or want to look at sample wording.

How are Statutory or Government Mandated benefits calculated?

If you are using the "Annualized" method, we calculate estimated Social Security and Medicare costs for both employer and employee based on appropriate formulas.

For Worker Compensation, you may provide a total ANNUAL premium and we will evenly divide among all employees or you may provide worker comp code for each employee as well as worker comp rates for each code.

For Unemployment, we will need your company's State unemployment rate (or rates if you operate in more than one state). We calculate the Federal unemployment costs.

If you are using the "Actual Dollars" method, you will need to provide the actual expenditure for each employee for Social Security/Medicare, Worker Compensation insurance, State/Federal Unemployment insurance.

Timeline & Process for Total Compensation Statements

The process of preparing Total Compensation statements is virtually the same for On-Demand statements and Custom statements. However, the timeline for On-Demand statements is a little quicker due to the streamlined design options and delivery method. Our timeline for On-Demand statements is three weeks (although it often takes less time) and for Custom statements, it is four to six weeks (again, we often complete the statements in less time). It really depends on client response. In addition, with printed statements, we typically require a week from the time of approval to fulfillment.

Phase 1: One - Two Weeks

Statement Selection:

If you choose On-Demand statements, we email the four available template options so you can make your preferred selection. If you choose Custom statements, we begin with a consultation to discuss the design of your selected layout.

Gathering the Data:

The data we need to produce statements must be sent in Excel spreadsheets. Since the data can often come from various sources, we accept multiple spreadsheets as long as there is a single, unique identifier (such as a Social Security Number or Employee ID) included on each spreadsheet. Note: You can send data as it becomes available...no need to wait for all data to be ready to begin sending files.

Secure Portal Setup:

We set you up on our secure portal. From here you can easily and securely upload/download confidential files.

Phase 2: One - Two Weeks

Data Review:

Once spreadsheets are received, we sort through the files testing for data integrity, integrating it into our systems and performing calculations. Since we often receive multiple spreadsheets, systems are in place to assure the accuracy of consolidated data as well as reveal any data inconsistencies in the provided data. Examples of data inconsistencies might include a full-time benefit eligible employee showing they are not enrolled in employer-provided life insurance or an employee showing they are enrolled in employee only medical but with a family premium. These issues would prompt us to ask for clarification. Any outstanding data is required at this time.

Design:

With Custom statements, an initial draft with \$0.00 figures is sent to you based on our design consultation. You may make changes, suggestions and revisions to the draft and we will revise and resend. This includes images, verbiage and placement of data. With On-Demand statements, changes in verbiage, colors or placement of data may be made after data is populated.

Phase 3: One - Two Weeks

Populating Statements:

We populate your statements with the data and send a random sampling of actual populated statements to you for first review (you may also request specific employee statements to review). These are in PDF format and uploaded to the secure portal. In this phase, you can make changes in verbiage, move elements around, check the numbers you provided as well as any calculation we have performed. We make the requested changes and resend to you for second review. You may request This process continues until you release the statements with final approval.

Delivery of Statements:

Once statements are approved by you, we send the invoice you and prep for delivery. Upon receipt of payment, On-Demand statements are sent to you in a PDF file through the secure portal. Custom statements are sent to our fulfillment center for printing and mailing. Electronic statements are uploaded to the secure portal for delivery (or provided to you for delivery).

Follow-Up:

We check in to make sure you are pleased with the final product.

What we need to produce Total Compensation Statements

Here is a quick summary of the data we need to produce total compensation statements. Employee-Specific data must be sent in Excel Spreadsheets. When you are ready to send spreadsheets, please contact us for access to our secure portal. **IMPORTANT: If sending multiple spreadsheets, a unique employee identifier (such as SSN or employee ID) must be included on each spreadsheet.** Please contact us if you have any questions jackie@thebcgroup.com

Employee Specific Data:

- Social Security Number / Employee ID Number (on each spreadsheet sent)
- Name
- Date of Birth
- Date of Hire/Date of Original Hire (if applicable for rehires)
- Home Address (if mailing statements)
- Email Address (if electronic statements)
- W-4 Filing Status (Custom statements only)
- Class/Department/Division (if needed to distinguish employee groups)
- Annual Earnings or Hourly /Base Rate
- Number of Hours
- Pay Frequency
- Bonus / Commissions / Other Additional Income
- Medical / Dental / Vision Election for each employee (employee only, employee/spouse, employee/child, family)
- Medical / Dental / Vision employer cost (provide employee cost also if showing on statements)
- Retirement: Contribution percentage or Flat Dollar Deferral for Each Employee for 401(k)/403(b)
- Retirement: Account Balance for Each Employee (Custom statements only)
- Other Retirement Plans? Include contributions & account balances for each employee
- Cell Phone Allowance, Uniforms, Auto Allowance, Tuition Expense, Employee Assistance Program, or other
- Other benefits / perks
- Number of Vacation/PTO, Sick, Holidays for each employee (hours or days)
- Voluntary Benefit Elections for Each Employee (provide deductions if showing employee costs on statements)

General Benefits Information:

Note: If the employer pays for or shares in the cost for medical, dental, vision, STD, LTD or Life and AD&D, please provide the insurance information as described below. (This does not apply to voluntary benefits.)

- Medical, Dental & Vision Costs: Employer & employee share (employee only, employee/spouse, employee/child or family)
- Short-Term Disability: 1) description (ex: 60% up to \$1,000 per week); 2) STD rate (typically per \$10 of weekly benefit)
- Long-Term Disability: 1) description (ex: 60% up to \$5,000 per month); 2) LTD rate (typically per \$100 of covered monthly earnings)
- Life Insurance & AD&D: 1) description (ex: 2 times earnings up to \$100,000); 2) Life rate (typically per \$1,000 of benefit)
- Phone Numbers & Web Address for Vendors / Carriers for Contacts Section
- Logo - High Resolution
- Government Mandated Benefits: State Unemployment Rates and Workers' Compensation Premiums
- Most recent Benefits Guide or Enrollment Guide if available