



With health care costs rising and the Affordable Care Act (ACA) implementing new health coverage requirements and penalties for employers, many companies are faced with deciding whether to increase their health insurance contributions or to allow employees to suffer the impact of increasing costs.

When the employer decides to absorb health coverage costs, employees may remain unaware of the “hidden” benefits they are receiving. This is one of many reasons why a total compensation statement is useful for sharing with employees what their true total compensation is.

Total compensation statements communicate the entire value of an employee’s compensation package, including wages, which they already see, and the hidden cost of the benefits that employers provide.

Although total compensation statements are not legally required, they demonstrate to employees the monetary value the employer is providing beyond

the standard paycheck. Knowing the full value of their compensation packages can help increase employee morale and loyalty, and these statements can serve as a basic but useful retention tool.

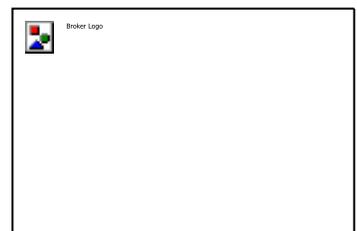
What’s Included?

A total compensation statement includes the monetary cost of all forms of compensation on the part of the employer. This includes gross wages and extra financial compensation, such as bonuses or commissions, as well as the employer-paid portion of retirement plan contributions, insurance premiums and other benefits such as dry cleaning services.

Following are items that might be listed on a total compensation statement:

- Salary/hourly wages
- Bonuses
- Commissions
- Stock options
- Stock grants

Total compensation statements communicate the entire value of an employee’s compensation package.



- Employee stock purchase plan
- Retirement plan—401(k) matching contributions, pension plans, etc.
- Educational or employee assistance programs
- Social Security contributions
- Paid time off—including vacation time, sick leave, holidays, jury duty, etc.
- Insurance—including health, dental, vision, life, disability, etc.
- Wellness rewards—discounts, cash bonuses, etc.
- Relocation expenses

Outlining the total cost of all these benefits can be eye-opening for your employees and can help them better appreciate the compensation package you offer them.

Providing the Information

In order to offer a total compensation statement to employees, both direct and indirect compensation totals must be compiled. Direct compensation refers to compensation paid directly to an employee, such as the employee's salary. Indirect compensation includes any forms of compensation that are not paid directly to an employee, such as employer-paid insurance premiums, retirement benefits and paid time off.

Many employers do not offer total compensation statements because of the work involved in putting them together. Don't let this common obstacle stop you from sharing the value of your compensation packages with your employees. Premier Consulting Partners

LLC is happy to support you in your efforts.

To learn more about total compensation statements and for help compiling the necessary information to give to your employees, contact Premier Consulting Partners LLC at 516.358.3872 or visit <http://www.premierconsultingpartners.com>.

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