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A Newsletter Highlighting Topics from the HRA-NCA
Compensation and Benefits Surveys

Issue #5 December 16, 2013

Ask the Analyst

A regular feature where survey users can ask an experienced compensation or benefits analyst questions pertaining to survey data interpretation and analysis.

QUESTION:

How has recent Federal recognition of same-sex spouses changed the treatment of same-sex spouses for tax and ERISA purposes?

This issue's article was prepared by the HRA-NCA Benefits Committee.

As many of you know by now, the US Supreme Court's decision in *US v. Windsor* in June, and subsequent Department of Labor (DOL) and IRS guidance, has changed the treatment of same-sex spouses for tax and ERISA purposes.

Same-sex couples legally wed anywhere in the US or abroad are considered married for federal tax purposes — no matter where they live — according to a recent IRS revenue ruling and FAQs, issued Aug. 29, 2013. The DOL has adopted the same definition for any ERISA purpose within its jurisdiction, including applying HIPAA provisions that parallel ERISA.

The IRS ruling took effect prospectively on Sept. 16, 2013. While many federal tax questions remain open, a US Treasury official speaking informally said employers providing health coverage to same-sex spouses should stop imputing income to employees by Sept. 16 or as soon after that date as practicable. Employers covering same-sex spouses will want to identify which employees are affected by the tax change and work toward implementing payroll and reporting changes. It's important to note that the IRS ruling applies only for federal tax purposes; state tax laws may differ.

The IRS ruling has nationwide impact, affecting federal income tax treatment even for employees who reside in states that don't recognize same-sex marriage. Immediate action steps for employers sponsoring health plans that cover same-sex spouses include the following:

IN THIS ISSUE

- **Ask the Analyst:**
How has recent Federal recognition of same-sex spouses changed the treatment of same-sex spouses for tax and ERISA purposes?
- **Did You Know?**
That you can request a Special Cut of the survey data in both the HRA-NCA Compensation Survey and the HRA-NCA Benefits Survey?

- *Identify same-sex spouses*
- *Stop imputing income to employees*
- *Identify other affected health and welfare benefits*
- *Review health and welfare plan documents, communications, and enrollment materials*
- *Review Medicare eligibility of same-sex spouses*
- *Review state tax reporting*

In addition to the administrative implications, *Windsor* also has policy implications for employers who have been offering domestic partner benefits. Those employers who have offered same-sex and opposite-sex domestic partner benefits to couples who either can't or choose not to marry may decide to continue their policies after *Windsor*. However, because of the much easier path to marital status for same-sex couples provided by *Windsor*, employers who have offered only same-sex domestic partner benefits may wish to consider whether that policy continues to be a necessary part of their overall business and benefits strategy.

Did You Know?

A feature to highlight where survey users can find specific data within the HRA-NCA survey.

QUESTION:

Did you know that you can request a Special Cut of the survey data in both the HRA-NCA Compensation Survey and the HRA-NCA Benefits Survey?

Access to Special Cuts allows HRA-NCA survey participants to request custom cuts of both the Compensation and Benefits Survey reports to include data from a specific list of respondents. Survey participants select a minimum of 25 respondents and compare compensation data for over 500 jobs and benefits policies on healthcare, retirement, leave and twenty additional topics.

The HRA-NCA Surveys include breakdowns of the reported data by one or more of the scoping parameters that are available in the survey. For example, the Benefits Survey report typically displays data for each section in the aggregate, representing all respondents, and also broken down by number of employees and three umbrella industry categories, namely associations/non-profits, government contractors, and all others. The Compensation Survey report shows the same categories for the policies section, but further breaks down the job survey data by industry, location, revenue and number of employees. In addition, the Compensation Survey's On-line Query Tool allows users to create their own custom peer group by combining categories from one or more scope

parameters. For example, a custom grouping can contain all responses from associations, non-profits, educational institutions and local government organizations that have between 100 and 750 employees.

It is often necessary, however, to obtain a more precise peer comparison group. An organization may want to compare themselves against a specific list of respondents, for the purposes of pricing a particular job, or for responding to a Department of Labor wage determination. For many compensation practitioners, it can be a matter of not being able to ask peers directly because of Safe Harbor regulations and the Sherman Anti-Trust Act. While the On-line Query tool can provide a salary data solution for creating custom peer groups of Compensation Survey data, the Benefits Survey data cannot be accessed by an On-line Query Tool. Companies that require targeted benefits data for a niche industry or a specific peer group need an alternative solution to traditional surveys.

For these reasons, HRA-NCA survey participants can request a Special Cut for a customized report of the Benefits and Compensation Survey data for a specific list of respondents. Special Cuts require a minimum of 25 respondents selected from our pool of over 300 annual survey participants. It is important to keep in mind that some Special Cuts may require more than 25 respondents selected in order to maintain confidentiality and data privacy if there is insufficient data reported by participant companies on requested jobs, practices, or benefits sections of the survey. In addition to allowing participants to hand select 25 respondents, participants can also request one of over 30 standard Special Cuts including, thirteen industry cuts, six revenue cuts, six size cuts, and eight location cuts. Standard Special Cuts provide a data rich start point and can be easily adjusted based on an organization's needs.

The HRA-NCA survey administrators at Akron, Inc. can work with your company to provide a variety of Special Cut options to suite your organization's needs. Special Cuts provide a fast and cost effective way to get the data you need without conducting a costly, time consuming specialized survey through a third party. For additional information, contact Matthew DePaso at Akron, Inc., at 202-745-0272, or via email at matt.depaso@akroninc.net.

Important Dates to Remember

December 18 – Legislative Webinar: Classification of Employees as Exempt v. Non-Exempt Under the Fair Labor Standards Act

December 18 – Job Seekers Group Meeting.

December 19 – HRA-NCA PHR/SPHR Exam Prep Class

SUBMIT YOUR QUESTION

Submit your question to our analyst by emailing questions@akroninc.net

January 8 – January Chapter Meeting. Visit www.hra-nca.org for more information.

Need More Information on the HRA-NCA Surveys?

Information on the following HRA-NCA Surveys can be found on our website at www.hra-nca.org.

- HRA-NCA Compensation Survey
- Washington Area Benefits Survey
- Government Contractors Survey
- Salary Planning Survey
- Online Query Tool

Partners

The Surveys are published by the Human Resource Organization of the National Capital area. We partner with the following organizations to bring you these resources:



About HRA-NCA

The Human Resource Association of the National Capital Area (HRA-NCA) is the local DC Chapter of the Society for Human Resource Management (SHRM). HRA-NCA is committed to providing all professionals in the field of human resource management a forum for expanding their knowledge and talent. Our organization of HR practitioners, consultants, and educators has served the greater Washington, DC metropolitan area since 1945. We provide opportunities for professional development, scholarship, and expansion of your HR horizons.

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