




GCCBA News

February, 2003

Newsletter of the Greater Cincinnati Compensation & Benefits Association

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GCCBA BOARD MEMBERS

Deb Ader, WAW Certification Course Chair	513/629-1140
Barbara Carr, Secretary	513/554-2920
Debbie Dunn, Hotel and Hospitality Chair	859/283-6579
Michele Edquist, President	513/534-6423
Nicholas Ferrigno Jr., Newsletter	859/655-6893
Mark Gates, Webmaster	812/539-8383
Barbara Gomes, Treasurer	513/369-5610
Vicki Tettenhorst, Vice President and Membership Chair	513/451-4460
Max Smith, Newsletter	513/345-4205
Darlene Snyder, Programs	513/583-2781
Lisa Wade, Newsletter Chair	513/721-6611

PUBLIC RELATIONS COMMITTEE

Julia Best	513/931-4050
Binjan Patel	513/362-2280
Lisa Wood	513/636-2639
Dan Parker	513/333-2167

WEDNESDAY FEBRUARY 26, 2003

The Greater Cincinnati Compensation & Benefits Association is delighted to announce the speaker for our February meeting. Please plan to join us for this informative session.

A Discussion About Ethics in the Profession

Ryan Johnson, Manager of Public Affairs and Survey Research at WorldatWork (formerly American Compensation Association), will lead a discussion about ethics in our profession. Between the scandals at Enron, Global Crossing and others, the Sarbanes-Oxley Act, and the contentious public debate about the expensing of stock options, compensation has now taken center stage on the public agenda.



Our discussion will frame the relevant issues from the perspective of the global association of compensation, benefits and HR professionals and provoke attendees to think about how they might react to real-life ethical situations in their professional lives. This highly interactive session will encourage dialogue, as well as provide attendees with new ideas about how ethics come into play in our professions, and what to do when confronting dilemmas of an ethical nature.

Meeting Date: Wednesday, February 26, 2003

Location: Radisson Riverfront
(formerly the Quality Inn Hotel)
668 West Fifth Street
Covington, KY 41011

Time: 8:00 a.m. - 8:30 a.m.
Registration & Continental Breakfast
8:30m. - 10:00 a.m.
Meeting and Presentation

Cost: GCCBA Members \$15.00
Non-members \$30.00

For reservations or questions please contact Debbie Dunn at 859/283-6579 or via email at debbied@vanmelleusa.com.

CALLING ALL INTERESTED MEMBERS!!**STAND UP, SPEAK UP AND MAKE A DIFFERENCE...**

"What is she talking about?" you may ask. Well, it's time to speak frankly about the state of the association and what you can do to make a difference – to keep it alive and moving forward. You can help us to continue providing the networking and educational opportunities our members want.

As in any organization, there is a core group of members who give of their own time to provide the leadership and services that keep the GCCBA running. We're very fortunate to have a dedicated and talented group of individuals who are doing just that. Some of our volunteers have been active on the association's board for many years and are rapidly approaching the end of their elected terms. This will create opportunities for others to move into an elected or volunteer role and provide some fresh ideas and direction for the future. That's where you come in...

We need some new volunteers to join the board and help run GCCBA. The amount of time you need to devote is minimal and the benefits are great. There is a board meeting every other month (summers off!), and depending on your role, some minimal work outside those meetings. Serving on the board provides a great opportunity to network with fellow compensation, HRIS and benefits people in the community, stretch your leadership skills, enhance your resume, and influence what happens in your work life community. If you're new to the area or profession, it's a great way to build relationships and orient yourself in the HR community. Besides those benefits, volunteers are awarded \$250.00 a year in WorldatWork credit for each year of completed board service. Believe me, those dollars add up – they're paying for my attendance at the 48th Annual WorldatWork Conference in San Diego this year!

Whether you have 15 months or 15 years of HR experience, you can make a valuable contribution to the board! If you are interested in taking a more active role in the board please contact me, at 513-534-6423, by March 15. I'll be happy to review the elected positions and support roles available and put you in touch with the current incumbent. GCCBA can only continue if we have new board volunteers to fill our vacancies so please consider investing a little of your time to bring so much to the lives of others in your work community. Thank you!



Michele Edquist
President

Getting to Know Your GCCBA Board Members...



Deb Ader
WAW Certification
Course Chair

Deb Ader has been working in the compensation field for over 20 years, including experience in the insurance, banking and retail industries. She has worked for Western Southern Life Insurance Company since 1991 and is currently the Director of Compensation. She is a graduate of Bowling Green State University with a BS degree in Employee Services.

Deb has been a GCCBA member since 1985 and a member of the board since 1994, serving in various capacities including Program Chair, Vice President, President and currently is our WorldatWork Certification Course Chair. In that role, she coordinates and administers WorldatWork courses sponsored by GCCBA so that they can be offered in the Cincinnati area.

Deb has been married to her husband, Steve, for 20 years. They live in Northern Kentucky with their two children (both teenagers!) and their dog, named Daisy!

Lisa Wade is Vice President at Management Performance International, Inc., a management-consulting firm where she has worked for over nine years. Lisa has a Ph.D. in Management, from the University of Cincinnati and also holds a B.S. degree in Nursing. At MPI she provides client and project management related to the analysis, design, and development of compensation programs, organizational instruments and assessments, and other human resource programs used in a range of industry settings.

Lisa has been a GCCBA member since 2000 and a board member since 2001. She currently chairs the newsletter committee and works with other committee members to develop and distribute the GCCBA newsletter.

Lisa has lived in the Greater Cincinnati area since her childhood and currently lives in Mason, Ohio. She is married and has two young children, ages two and four.



Lisa Wade
Newsletter Chair

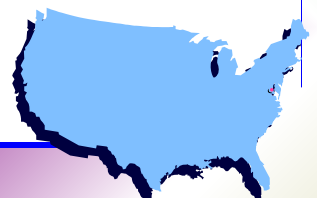
2003 National Conferences and Events

2003 WorldatWork Conference

- *San Diego, CA:* May 11 - 14, 2003 - 48th Annual Conference & Exhibition

2003 SHRM Conferences

- *Fort Lauderdale, FL:* February 26 - 28, 2003 - Human Capital Balanced Scorecard Summit
- *Washington, DC:* March 10 - 12, 2003 - 20th Annual Employment Law and Legislative Conference
- *Los Angeles, CA:* March 31 - April 2, 2003 - 26th Annual Conference & Exposition of the SHRM Global Forum.
- *Las Vegas, NV:* April 23 - 25, 2003 - 34th Annual Employment Management Association Conference & Exposition.
- *Orlando, FL:* June 22 - 25, 2003 - 55th Annual Conference & Exposition
- *Huron, OH:* September 17 - 19, 2003—31st Annual Human Resource Conference



WAW Certification Course Offerings from other Surrounding Associations

Cincinnati, OH: GCCBA

For more information contact Deb Ader at 513/629-1140 or at deb.ader@westernsouthernlife.com

- May 5 - 7, 2003 – B2 Retirement Plans - Design and Management
- May 5 - 7, 2003 – C2 Job Analysis, Documentation and Evaluation

Columbus, OH: Columbus Compensation Association

For more information contact Don Adams at 614/249-6462 or at adamsd1@nationwide.com

- February 17 - 19, 2003 – C1 Regulatory Environments for Compensation Programs
- February 17 - 19, 2003 – C11 Performance Management Strategy, Design and Implementation
- October 29 - 31, 2003 – T2 Accounting and Finance for the Human Resources Professional
- October 29 - 31, 2003 – C5 Elements of Sales Compensation

Indianapolis, IN: Compensation & Benefits Professionals of Indiana

For more information contact Nancy Hachman at nancy.hachman@nav-international.com

- March 12 - 14, 2003 – B1 Fundamental of Employee Benefits
- March 12 - 14, 2003 – C4 Base Pay Management
- September 17 - 19, 2003 – B2 Retirement plans Design and Management
- September 17 - 19, 2003 – C2 Job Analysis, Documentation and Evaluation



Lexington, KY: Bluegrass Compensation Association

For more information contact Allen D. Engle at 859/662-6549 or at allen.engle@eku.edu

- April 23 - 25, 2003 – C12 Variable Pay - Incentives, Recognitions, Rewards
(cost: \$700 for BCA members, \$800 for WAW members, \$950 for nonmembers/
Exam only fees: \$225 for BCA or WAW members, \$275 for nonmembers)

Philadelphia, PA: Penjerdel Employee Benefits & Compensation Association (PEBA)

For more information contact Marlynn Orlando at 215/735-9435 or orlando@peba.org

- March 12 - 14, 2003 – C2 Job Analysis, Documentation, and Evaluation
- March 12 - 14, 2003 – B4 Strategic Benefits Planning
- May 5 - 6, 2003 – B1 Fundamentals of Employee Benefits
- May 5 - 6, 2003 – B2A Retirement Plans—Financial Management
- June 11 - 13, 2003 – B5 Managing Flexible & Work/Life Benefits
- June 11 - 13, 2003 – C11 Performance Management
- September 17 - 19, 2003 – T3 Quantitative Methods
- October 15 - 17, 2003 – C1 Regulatory Environment for Compensation Programs
- November 12 - 14, 2003 – T11 Fundamentals of Equity Based Rewards
(Cost: \$780 for PEBA Members, \$830 for WAW Members, and \$990 for Nonmembers).

“Building Sales Compensation Plans That Drive The Right Revenue” A One-Day Sales Compensation Seminar

Featuring David Cichelli
Sponsored by the Chicago Compensation Association
Thursday, March 13, 2003
7:30 am - 8:00 am Continental Breakfast
8:00 am – 4:00 pm Seminar (Lunch included)
\$295 Member \$395 Non-Member

For more information call contact Linda VanDeventer at
630/438-8507 or Linda.VanDeventer@BoiseOffice.com

Member Update

NEW!

This is a new column where members can share recent promotions, job changes or company changes! Please forward any new updates for our next newsletter to Lisa Wade (newsletter chair) at lwade@managementperformance.com

Legal Corner¹

By Ben F. Wells and Jeffrey S. Shoskin,
Dinsmore & Shohl, LLP
513-977-8200

Department of Labor Issues Regulations on Notice of Black-out Periods

The Sarbanes-Oxley Act of 2002 contains advance notice requirements for individual account plan "black-out periods". Blackout periods are defined to include a temporary inability of plan participants to (i) direct or diversify the investment of their accounts, (ii) obtain plan loans, or (iii) obtain plan distributions. On January 24, 2003, the United States Department of Labor issued final regulations and a model Notice which plan sponsors can use to comply with this notice requirement. The regulations apply to blackout periods beginning on or after January 26, 2003. Briefly summarized, the regulations require:



- The Notice must be written in a manner "calculated to be understood by the average plan participant" and must include:
 - ◆ The reasons for the blackout period,
 - ◆ A description of the rights that will be temporarily suspended, limited or restricted by the blackout period (e.g., the right to diversify investments or obtain loans or distributions),
 - ◆ The length of the blackout period,
 - ◆ A statement that participants should evaluate the appropriateness of their current investment decisions in light of their inability to direct or diversify their accounts during the blackout period, and
 - ◆ The name, address and telephone number of the contact responsible for answering questions about the blackout period.
- The length of the blackout period can be described by supplying either
 - ◆ the expected beginning and ending dates of the black-out period, or
 - ◆ the "calendar weeks" during which the blackout period is expected to begin and end, as long as the specific dates are readily available to participants and beneficiaries via means such as a toll-free number or through the Internet.
- The Notice must be furnished at least 30 days but not more than 60 days in advance of the last day on which participants can exercise "affected rights" (e.g., the right to change investments or receive a loan) prior to a black-out period.
 - ◆ If an exception to the 30 day notice applies, the fiduciary of the plan will normally be required to make a written determination about the application of the exception, and the Notice will be required to include an explanation as to why 30 days advance notice was not required.
 - ◆ The plan administrator must then give notice as soon as reasonably possible under the circumstances.
- The Notice can be provided in any form that is permissible under Department of Labor regulations, including by mail, private delivery service and electronic delivery.
- The regulations include a model Notice. However, use of the model is not required.

(Continued on page 7)

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¹ The Legal Corner is a reference tool and only should be used for educational/informational purposes. This information does not or should not be construed as legal advice for specific situations. It may be advisable to consult your attorney before taking action.

Today's Employees Have Negative Emotion Toward Jobs

North American employees have intense emotions about their work – and right now, a lot of that emotion is negative, according to a study conducted by human resource consulting firm Towers Perrin and its partner in research, Gang & Gang. The study also shows why changing negative emotion into positive emotion is so important to employers and identifies ways to do so.

Here are the key findings of the study:

- More than half of people's current emotion is negative and a third is intensely negative.
- Factors accounting for most of the employee negative emotion are an excessive workload, concerns about management's ability to lead successfully, anxiety about job security, lack of challenging work, and insufficient recognition for efforts.
- Survey respondents describe their ideal work experience as one that provides them a sense of self worth, shows them how their actions can contribute to the success of the business, and provides them with appropriate recognition.
- Negative emotion was related to higher turnover and contributed to lower productivity and performance. Conversely, positive emotion correlated with better financial results.
- While employers are aware of the widespread discontent in their workplaces, they misjudge some of the root causes and underestimate the importance of professional development opportunities, challenging work, and rewards and recognition in shaping positive emotion for employees.

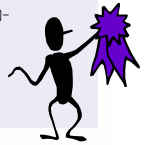
"If a company doesn't understand the reasons for employee negativity, it may invest in some of the wrong programs – or fail to foster the kind of work environment that builds strong positive emotion," said Donald Lowman, a managing director of Towers Perrin.

"In reality, creating a positive work environment is well within reach and is largely about reshaping the work experience into something meaningful and personally satisfying for employees."

If a company could deliver on the elements of the work experience critical to strong positive employee emotion – employee confidence, competence and control – the study suggests that employees' emotional investment at work would shift dramatically.

ELEMENTS OF THE IDEAL WORK EXPERIENCE FOR EMPLOYEES:

- Sense of self worth
- Ability to contribute to Company's success
- Rewards and recognition



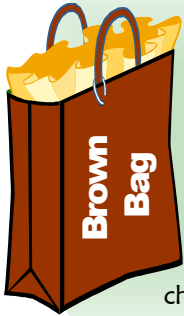
"Employers must consider these findings as a wake-up call – and a challenge that management must address. Organizations may face real risk when the economy improves and top talent begins looking for greener pastures."

– Donald Lowman, Towers Perrin

ELEMENTS ACCOUNTING FOR NEGATIVE EMOTION:

- **Workload:** Fewer employees forced to do more with less
- **Management:** Lack of confidence in its competence (rather than its ethics)
- **The Future:** Fears about job/income and retirement security
- **Boredom:** Lack of challenging and interesting work
- **Recognition/Rewards:** Fall short of desires and expectations, especially recognition

Announcements!!



The Greater Cincinnati American Society of Pension Actuaries (ASPA) Benefits Council is scheduled to hold its first Brown Bag meeting on Tuesday, February 25, 2003, from 12:00 p.m. to 1:00 p.m. at the office of Greenebaum Doll & McDonald PLLC, 18th Floor, 50 E. Rivercenter Blvd, Covington, Kentucky 41012. Please R.S.V.P. to Mary Cinquina - Tel. 859/655-4200. There is no charge to attend the meeting and soft drinks will be provided. The employee benefits-related topic will be announced the week before the meeting date.

The December meeting was a success!

On December 3rd, Clay Sanders from Frost, Brown, Todd gave us an update on HIPAA privacy regulations. Twenty-two members were able to attend.

Thanks Clay for your informative presentation and discussion!

Legal Corner: (Continued from page 5)

- The statute provides that the Notice requirements are effective on January 26, 2003. Under the regulations, for a black-out period that begins between January 26 and February 25, 2003, plan administrators must furnish the Notice "as soon as reasonably possible", instead of at least thirty days before the beginning of the black-out period.
- The regulations contain explanations of the \$100 per day penalty for non-compliance with the notice requirements. The person liable for the penalty is the plan administrator. Therefore, the penalty may not be paid from plan assets. The penalty is imposed on each violation separately with respect to each participant or beneficiary. Therefore, for a plan with 100 participants where the Notice is five days later the maximum penalty is $\$100.00 \times 5 \times 100 = \$50,000.00$. Penalties cease to accrue after the black-out period ends.
- Blackout notices are not required for certain events, including:
 - ◆ regularly scheduled blackouts (e.g., daily trading limits or quarterly freezes which coincide with the release of earnings reports), so long as the periods have been disclosed to participants through summary plan descriptions or other permitted plan communications;
 - ◆ restrictions which are required by securities laws;
 - ◆ restrictions for individual participants based on their own actions or claims of unrelated parties such as tax levies or beneficiary disputes; and
 - ◆ restrictions while determining if a domestic relations order is qualified.

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