

UPCOMING HR/REWARD LEGISLATIONS AND HOW YOU CAN IMPACT CONGRESS

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Federal legislation impacts all citizens. This is especially the case for rewards professionals, as they must navigate and implement rewards programs that are subject to new legislation once it becomes law. Last spring, when WorldatWork held its first Legislative Summit in Washington, D.C., about a dozen attendees used the opportunity to visit their elected officials and staffers and discuss upcoming legislation and avenues for educating elected representatives on compensation and benefits related matters. Much information was gleaned from this session, including key facts on legislation, legislation coming down the pipeline that may be of interest to rewards professionals, and avenues for engaging and educating elected representatives to help impact future legislative actions.

FACTS ON LEGISLATION

Less than 5% of legislation reviewed becomes law, with the majority never progressing beyond committee level:

Congress	Enacted Laws	% of Enacted Laws	Passed Resolutions	Got A Vote	Failed Legislation	Vetoed Bills (w/o Override)	Other Legislation	% of Other Legislation	TOTAL	Begin Date
115th	39	1%	182	192	0	0	4,495	92%	4,908	1/3/2017
114th	329	3%	708	661	22	9	10,334	86%	12,063	1/6/2015
113th	296	3%	663	474	20	0	9,184	86%	10,637	1/3/2015
112th	284	2%	722	390	38	0	10,865	88%	12,299	1/5/2011
111th	385	3%	1,464	601	31	2	11,192	82%	13,675	1/6/2009
110th	460	3%	1,435	861	37	7	11,242	80%	14,042	1/4/2007
109th	483	4%	1,027	597	31	1	10,933	84%	13,072	1/4/2005
108th	504	5%	865	694	17	0	8,589	81%	10,669	1/7/2003
107th	383	4%	681	602	16	0	9,107	84%	10,789	1/3/2001
106th	604	6%	769	650	33	12	8,772	81%	10,840	1/6/1999
105th	404	4%	621	557	43	7	7,509	82%	9,141	1/7/1997
104th	337	4%	598	444	28	16	6,568	82%	7,991	1/4/1995
103rd	473	5%	509	502	17	0	8,321	85%	9,822	1/5/1993
102nd	610	5%	586	656	31	23	10,110	84%	12,016	1/3/1991
101st	665	6%	599	620	22	20	9,861	84%	11,787	1/3/1989
100th	761	7%	342	578	6	16	9,575	85%	11,278	1/6/1987

Here is what we mean in each column:

Enacted Laws: Enacted bills and joint resolutions (both bills and joint resolutions can be enacted as law)

Passed Resolutions: Passed resolutions (for joint and concurrent resolutions, this means passed both chambers)

Got A Vote: Bills and joint/concurrent resolutions that had a significant vote in one chamber

Failed Legislation: Bills and resolutions that failed a vote on passage or failed a significant vote such as cloture, passage under suspension, or resolving differences

Vetoed Bills (w/o Override): Bills that were vetoed and the veto was not overridden by Congress

Other Legislation: Bills and resolutions that were introduced, referred to committee, or reported by committee but had no further action

So far in 2017, Congress has had a total of 4,908 pieces of legislation as of 6/14/07. That is 30 pieces per day, every day, 7 days per week. The magnitude of this volume makes it extremely difficult to prioritize which legislation is most important!

KEY PENDING LEGISLATION

With legislation being developed at such a quick rate, it is critical to identify bills that are relevant to rewards professionals. The WorldatWork Legislative Summit took on this initiative and identified a few key issues still pending congressional action and the outcomes it would like to see from them:

» ASK THE OMB TO RESCIND THE CHANGES EEO-1

The Office of Management and Budget utilized the Paperwork Reduction Act to adjust the EEO-1 form. It increased the original form from 128 data points to 3,360 data points.

- Applies to all companies with more than 100 employees
- Requires demographic, wages & hours worked; grouped in EEO-1 categories & pay bands
- Many companies do not have HRIS that capture the information required
- Filing deadline is 3/31/18

» CREATE LEGISLATION ENACTING TRANSPARENCY IN PROXY ADVISORY COMPANIES

- Proxy Advisory Firms provide analysis for investors to evaluate companies' shareholder proposals, including facts and circumstances on performance, size, maturity, governance structure and responsiveness to shareholders.
- Because Proxy Advisory Firms serve as both advisers to institutional shareholders and consultants to the corporate issuers preparing proxy statements, they may wield substantial influence over various company shareholder proposal outcomes.
- WorldatWork members are concerned that without oversight, Proxy Advisory Firms will fail to avoid conflicts of interest, frequently promulgate factually inaccurate information and are neither transparent in their business dealings nor publicly accountable for the recommendations they provide.

» SUPPORT THE STUDENT LOAN REPAYMENT ASSISTANCE LEGISLATION (S.796 / H.R.795)

- While tuition reimbursement is currently allowed, we asked that student loan repayment also be included with the same tax treatment.
- Some congressional players oppose the legislation due to perception that it will decrease tax revenue. This perception is false:
 - Companies aren't going to increase their labor expense if this tax credit is available; rather, they will utilize it to attract and retain talent.
 - Student loan default sits at 11.4%, with the majority of those loans backed by the government. It is smart to allow companies to help the federal government to reduce this debt and attract employees at the same time.

» SUPPORT THE MOBILE WORKFORCE STATE INCOME TAX SIMPLIFICATION ACT (S.540 / H.R.1393)

- Multiple laws governing state income taxes for "road warriors"—residents of one state who work in another—can make tax collections a nightmare. The number of days can vary from 1 to 60.
- This legislation would establish a 30-day threshold test for state income tax withholding purposes and alleviate the complicated tax-reporting burdens some employees face when they travel for work to multiple states within the United States.

» REPEAL OR AMEND THE CEO PAY RATIO RULE FROM DODD-FRANK

- Current definitions are too broad and cause apples to orange comparisons.
- Different industries will have wide ranging multiples, nullifying any sort of best practice standard or benchmark.
- Median employee's total compensation calculation is problematic (ie: part-time v. full-time; U.S. employees v. non-U.S.-based employees).
- Better alternatives may exist to identify inequalities:
 - Top 10% versus bottom 10%
 - W2, full-time only, full year, US employees
 - Data exists for all companies, easy to calculate
- Dodd-Frank is being reviewed extensively so this may be a moot point.

CONTACTING REPRESENTATIVES

There are certainly many other legislative issues under review that are relevant to the compensation and benefits field. When an issue has been identified that necessitates action, experiences from the WorldatWork Summit indicate members of congress want to hear from their knowledgeable constituents. When looking to strike up a dialogue, consider the following resources for contacting congressional leaders:

- <https://www.usa.gov/elected-officials>
- <https://www.senate.gov/senators/contact/>
- <http://www.house.gov/representatives/>
- <https://www.countable.us/>

OTHER CONSIDERATIONS

Next spring, WorldatWork will host its second Legislative Summit, focusing on these and other issues. Updates on this event will be announced throughout the year. For any questions on these topics, please feel free to contact Liz Mayo at mayol@longnecker.com.



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