

# Q&A Employee Benefits



Courtesy of Meridian Benefits Consulting

## Q

**What are total compensation statements? Are they required? If not, why should I provide them?**

## A

Total compensation statements highlight the monetary value of your benefits package, including the perks that may be overshadowed by traditional benefits. These statements are not required, but providing them may increase employee morale and loyalty. Typical total compensation statements may include the following:

- Salary
- Bonuses
- Commissions
- Stock options
- Stock grants
- Employee stock purchase plan
- Retirement plan
- Social Security contributions
- 401(k) matching contributions
- Paid time off
- Coverages for health, life and disability
- Wellness rewards (discounts, cash bonuses, etc.)

Providing these statements increases employee awareness of how much the company spends on his or her benefits. Informing employees of the behind-the-scenes expenses that the company covers can increase retention rates and morale.

Another reason to provide total compensation requirements is that the health care reform requires employers to report the aggregate cost of employer-sponsored group health plan coverage on their employees' W-2 Forms. For employers that file fewer than 250 W-2 Forms, this is currently optional. Providing total compensation statements may make providing this information at tax time easier.

Contact Meridian Benefits Consulting for more information on total compensation statements.

