

alliance for **i**nnovation

Theme:
Imagining Innovation

Title: Show Me the Money

Jurisdiction: City of Independence, Missouri



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Show Me the Money

City of Independence, Missouri

Synopsis:

The City of Independence's Human Resources department typically creates a comprehensive Compensation and Benefits Statement for employees on a yearly basis. The employees like receiving the statement. It is a hard copy paper statement that is very popular after it is distributed, *for about one hour*. The statement quickly becomes out of date and our employees, being from the great state of Missouri, start asking "show me the money" again. In other words, show me the value of my total compensation.

In today's fast paced world, employees want to know their total compensation in a relevant, up to date time frame and not as of 3-6 months ago. Lack of timeliness is a disadvantage when producing a paper compensation and benefits statement.

However, a quality statement is necessary to provide the full compensation story to employees, and especially to newer employees, to demonstrate the overall value of working for the City *beyond just the paycheck*.

The impact of the Compensation and Benefits Statement as a retention and education tool is well known; regardless, producing the statement became one of those "dreaded projects". It required significant staff time in preparation, data gathering, proof reading, editing, printing, stuffing and distributing, along with the associated costs to mass produce the statement for 1,000+ employees on an annual basis.

A few years escaped without a Compensation and Benefits Statement produced at all.

The Human Resources department decided to investigate other options. Could the statement be outsourced? After obtaining some quotes ranging from starting costs at \$10,500 up to \$17,500 (not including postage and shipping costs) with an average 12 week production timeframe, it was not the ideal solution. Next, Human Resources explored the possibility of a real-time, employee-access, on-line Compensation and Benefits Statement. There had to be a faster, more efficient way to show employees the money.

A joint effort began among Human Resources and Technology Services staff in exploring the feasibility of creating an on-line product that could merge mainframe data to the City's intranet. Voila! An on-line Compensation and Benefits Statement was designed, developed and rolled out to employees on May 16, 2008.

The on-line statement updates every pay period, which is twenty-six times a year compared to a once a year paper statement. It combines the Human Resources Management and Financial/Payroll System with web

technology to create a statement accessible from the City's intranet site. The statement shows the employee's salary, dollar value of benefits elected, dollar value of the City's cost, dollar value of their paid leave accruals along with two graphs for employees to see their total compensation on-line.

Employee response has been positive. They like how easy it is to "see the money" with a few simple clicks on the City's Intranet site. Additionally, they can also access their personalized on-line statement from the comfort of their homes through the internet.

Since the Compensation and Benefits statement went on-line, employees have viewed the site 3,271 times from mid-May through September 2008.

The on-line statement reflects salary and benefit changes as they occur automatically by pay period. This significantly reduces staff administrative time and workload, and provides current and timely information to employees.

In addition to showing employees their total compensation value the on-line statement includes definitions of the benefit plans the employee is enrolled in. A click on the benefit name will produce a dialog box to pop up with a brief explanation for that benefit. This feature helps to educate and promote our City's employee benefits as well as show the total value.

The City of Independence employees wanted to know "what is the value of my total compensation?" in other words "*show me the money*" and show me today, not as of yesterday or as of three months ago.

The City's response was to skip "business as usual" and to show our Missouri employees an on-line, up-to-date, readily accessible statement, whenever they want to see it.

Components of the Presentation

Innovation/Creativity:

Human Resources approached Technology Services about the on-line concept and they were very receptive and enthusiastic to tackle an on-line project. A team was comprised of members from Human Resources and Technology Services. Regular team meetings were held to discuss the concept, format, design, components and mechanics to implement an on-line user friendly product. Examples of various statements were obtained and reviewed by the team for comparison to help in the design. Expertise resided within the team on the benefit plans, the payroll system, the mainframe and the html web-based technology to support the concept, produce the final design and the behind the scene calculations to make an on-line statement a reality.

Fortunately, the ability to marry web-based technology with the City's in-house HRMS and payroll system enabled creation of the on-line statement. No further technology was needed. The on-line statement was created from the City's existing systems and with existing City staff. One hundred percent in-house!

A prototype sample was developed and showcased to the City Manager's office, Finance and Law department to generate further enhancements and solutions.

Within about 90 days, the on-line statement was finalized. A demonstration of the on-line statement was introduced to the department directors, and then communicated to employees through a paycheck stuffer announcement, which is attached.

Citizen Outcomes:

The City was aware that employees were expecting an updated statement this year. Mirroring the existing employee data onto a web-based on-line statement instead of a paper statement was a major advancement. Below are some of the outcomes:

- Employees' expectations were met quickly, accurately, efficiently and with flair.
- Employees "see the money" with just 3 clicks on the City's intranet site.
- Employees can access their total value of compensation and benefits at their convenience.
- The information is current and updates continuously.
- City staff time and workload was significantly reduced.
- Less staff time creates more opportunity to serve citizens and the community.
- Significant cost savings was created by producing in-house.
- The on-line statement eliminates printing costs.
- The on-line statement supports the City's green initiative.

Applicable Results and Real World Advice:

The coding and programming involved to make the information seamless starts with Technology Services support. This requires a Technology Services team ready to assist in the endeavor to take an in-house product on-line. The project required a cooperative Technology Services department to handle the programming and the links that make the personnel data interact with the payroll/financial data to appear on the web-based screen.

Items to consider when designing the statement include:

- ❖ How will the employee and employer cost be computed and shown, i.e. annualized, pay period, monthly?
- ❖ Will all City benefits be listed or just those elected by the employee?
- ❖ How will the various employee classifications (union, non-union, public safety, unclassified, temporary, part-time) and the associated eligible benefits appear on the statement?
- ❖ Should you add an inquiry feature to allow Human Resources access to view the on-line statements?
- ❖ How will the value of paid leave be shown, as an add-on to the total compensation or as a part of the annualized salary?

Human Resources initiated the concept and facilitated the team; however, without the assistance of the Technology Services staff, the on-line statement would never have made it to the real world.

On the next page is a sample of the on-line statement:

Select A Date To View

9/19/2008



Name: Last name, First

Title: Job Classification Title

Address: Anywhere Street

Employee ID: 99595

Any City ST 11123

Date of Hire: Monday, March 28, 2005

Pay: \$58,396.00 (Annual) / \$28.08 (Hourly) **Department:** Department

| Benefit Type | Plan Name / Coverage | Employee Cost (Annualized) | City Cost (Annualized) |
|--|------------------------------------|----------------------------|------------------------|
| Medical | Stay Well Family / Pre-tax | \$2,095.68 | \$12,872.88 |
| Dental | Delta Family | \$0.00 | \$851.04 |
| Basic Life & AD&D | 1x & 2x Annual Salary | \$0.00 | \$206.76 |
| Supplemental Life - Self | \$50,000 Coverage | \$84.00 | \$0.00 |
| Supplemental Life - Spouse | Not Elected | \$0.00 | \$0.00 |
| Supplemental Life - Children | \$5,000 Coverage 2 Children | \$6.00 | \$0.00 |
| Basic Long-term Disability | Two years at 60% | \$0.00 | \$69.84 |
| Supplemental LT Disability | Option II: Additional To Age 65 | \$183.84 | \$0.00 |
| VSP (Vision) | Not Elected | \$0.00 | \$0.00 |
| Aflac Cancer | Not Elected | \$0.00 | \$0.00 |
| Aflac Short-term Disability | Not Elected | \$0.00 | \$0.00 |
| Aflac Accident | Employee/Child Level 1 / Pre-tax | \$344.40 | \$0.00 |
| Aflac Long-term Care | Not Elected | \$0.00 | \$0.00 |
| Deferred Compensation | 457 Plan-Employee contribution-ING | \$1,300.00 | \$0.00 |
| Deferred Compensation | 401A Plan-1% City contribution-ING | \$0.00 | \$583.96 |
| LAGERS - Retirement | General Employees | \$0.00 | \$3,737.24 |
| Flex Spending Account | Health Care | \$499.98 | \$0.00 |
| Flex Spending Account | Dependent Care | \$1,699.88 | \$0.00 |
| Employee Assistance Plan | @LIFE EAP Resources | \$0.00 | \$19.70 |
| FICA | Federal tax at 7.65% | \$4,097.34 | \$4,097.34 |
| Total of Benefits | | \$10,311.12 | \$22,438.76 |

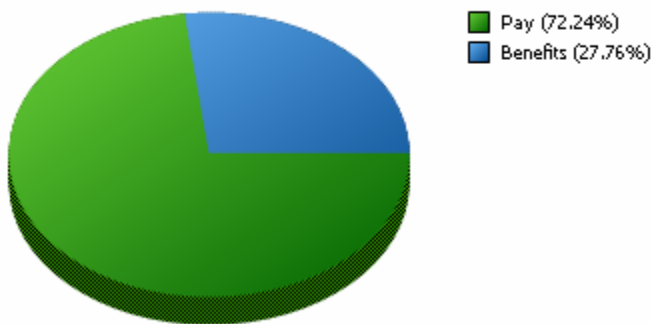
Additional Benefits

Please refer to disclaimer below.

| Compensation Type | Amount |
|--|--------------------|
| Pay | \$58,396.00 |
| City Paid Benefits | \$22,438.76 |
| Total Value of Compensation Package | \$80,834.76 |

Value of your benefits as a percentage of your total compensation package: 28 %

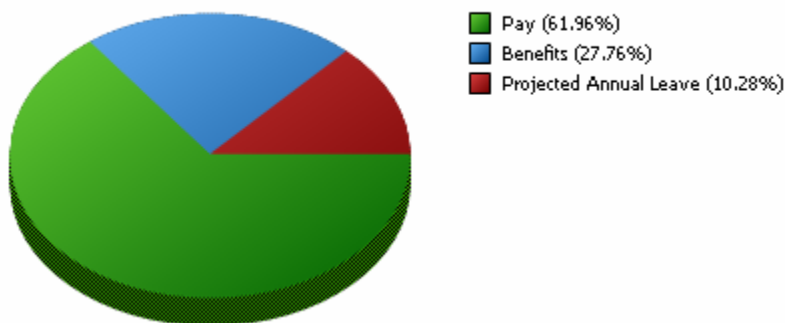
Total Compensation



| City Paid Leave Hours | Leave Balance | Annual Accrual |
|----------------------------|-------------------|-------------------|
| Holiday | 0.00 | 96.00 |
| Vacation | 61.04 | 80.00 |
| Personal Business | 13.59 | 24.00 |
| Sick Leave | 271.10 | 96.00 |
| Total Hours | 345.73 | 296.00 |
| Value of Paid Leave | \$9,706.37 | \$8,310.20 |

* Total payout is subject to the maximum allotment

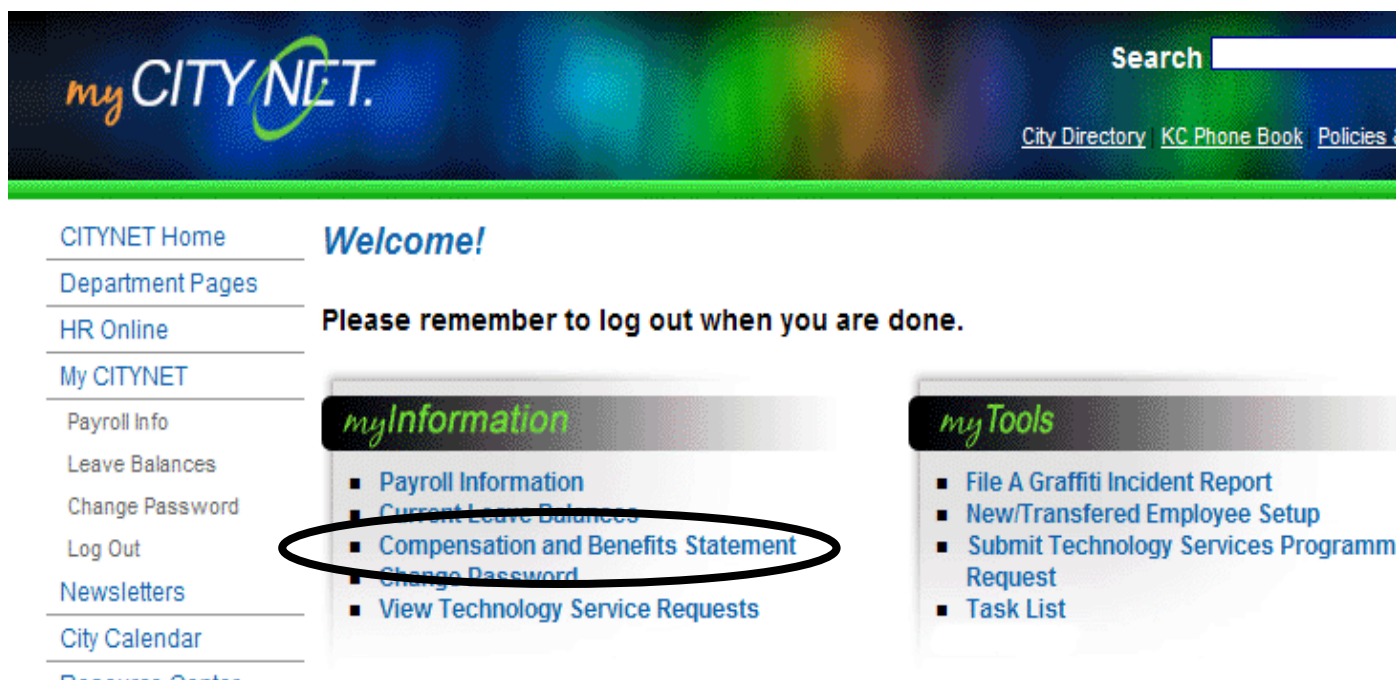
Total Compensation With Leave



Human Resources introduces a new, fast and simple way to see your total compensation and benefits information on-line!

Full-time and regular part-time employees can view a *personalized* on-line Compensation and Benefits Statement in 3 easy steps:

1. Go to <http://citynet.indepmo.org> (can be accessed from work or home PC)
2. Go to *myCityNet* and enter your i.d. & password to login
3. Go to *myInformation* & select **Compensation & Benefits**



It's as easy as 1, 2, 3!

**Check out your personalized statement
and see your total compensation “value” provided
from the
City of Independence**

Call Cindy Riddle at 325-7391 or Lise Takeshima at 325-7386 in Human Resources if you have any questions.

Human Resources extends thanks and praise to the Technology Services Department for their tremendous work in making the On-line Statement a reality.