

# Employee Compensation



YOUR CA AND BUSINESS ADVISORY SERVICES

---

**The Business Advisory Services Committee  
The Canadian Institute of Chartered Accountants**

Every business can benefit significantly by consulting your chartered accountant about business advisory services. CAs are skilled in accounting, auditing and tax services — and a lot more!

CAs can help you with:

- profitability improvement
- financing and loan applications
- obtaining government grants and other financial assistance
- developing management information systems
- cost accounting
- planning and budgeting
- forecasting and evaluation
- risk assessment and insurance planning
- planning compensation programs
- business valuation
- feasibility studies for business expansion
- starting a new business
- acquiring a franchise
- planning for retirement and/or business succession
- integrating business tax planning with estate tax planning.

These business advisory services are cost-effective because CAs have the knowledge of clients' organizations, operations, finances, personnel and tax situations.

---

## Good Help is Hard to Get

How often have we heard this? Is it not also true that once found, good help is hard to keep?

## Should I Be Concerned About Employee Compensation Issues?

Are you experiencing:

- absentee problems?
- a high attrition rate?
- employee complaints?
- a decline in productivity?
- an inability to hire the best?

These are the signs that your employee compensation package may not be best structured or suited for those you wish to attract, motivate, and retain within your employment.

A well-designed compensation package can help you improve the employee-employer relationship and keep your “good help”.

## Your Employees' Needs

Needs and wants continue to change as one ages throughout a working career. In the earlier years, most employees are concerned with raising a family, paying off mortgages, and educating children. During

---

---

the middle years, thoughts turn to the purchase of investment properties, the general accumulation of wealth, and the enjoyment of one's successes. Later retirement planning often becomes the primary concern of an employee. A compensation package must be designed to be sensitive to these varied and changing needs and desires.

## Perquisites or "Perks"

Whether club memberships, automotive allowances, assistance with deferred compensation, or just plain vacation policies, "perks" are an integral part of employee compensation.

Some of the "perks" offered to employees include:

- medical, dental, and hospitalization benefits
- short and long term disability insurance
- life insurance
- a competitive vacation and statutory holiday package
- training courses
- a good work environment
- pension plan
- profit sharing
- stock ownership plan
- flexible hours
- daycare

The list grows considerably and becomes custom tailored to the level of an employee's responsibilities and value to the organization.

---

---

## Deferred Compensation

Deferred compensation is the payoff tomorrow for the services of today. It is most attractive to those employees who are at a salary level which meets their day-to-day living expenses and who are looking to the funding of future expenses.

Often, a deferred compensation program doesn't cost more than current programs so that both your employee and you benefit.

## Ask Your Chartered Accountant

- Will deferred compensation arrangements better motivate your employees?
- Are there personal income tax considerations associated with some of the benefits you'll offer your employees?
- What are the actual costs of the benefits to your business?

Call upon your CA's knowledge and experience in such matters. Your CA can help you provide a compensation package which is sensitive to your employees' needs and gets results — an improved employee-employer relationship and an improved bottom line.

FOR A FURTHER DISCUSSION  
CONTACT US TODAY  
1-800-368-6868  
WWW.CAASOCIETY.COM

---