
DEVELOPING A TOTAL REWARDS STATEMENT

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September 2022

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ABOUT TRUCKING HR CANADA

As a national, non-profit organization, Trucking HR Canada advances modern HR solutions for the trucking and logistics workforce

One of our strategic priorities is to make a company's job easier by delivering a comprehensive collection of up-to-date guides, reports, templates and more to support effective human resources management and recruitment and retention efforts.

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WANT MORE

To help fleet employers build compensation practices that are inline with the expectations of today's talent, Trucking HR Canada created *The Importance of Predictability and Transparency in Compensation*. This online resource guide will support companies of any size, position themselves as employers of choice amongst prospective and current employees. Learn about:

- The benefits of pay transparency and predictability
- Steps to help you create a robust compensation strategy
- Best practices in communicating compensation
- How compensation relates with current HR trends

To access this resource visit truckinghr.com

DEVELOPING A TOTAL REWARDS STATEMENT

INTRODUCTION

Total Rewards Statements are used by employers to demonstrate the total value of the cash compensation and other quantifiable rewards provided throughout the year to team members. Often, employees associate their earnings with their base pay rate or salary, or worse, with the net amount of money that is deposited into their bank account.

As employers, we know the financial investment we make in our team members goes beyond that. It's important to share that information so that those who work for us have a better appreciation of their full earnings and earnings potential.

Included are suggestions and examples for how you can structure a Total Rewards Statement, along with a sample template.

WHEN DO YOU PROVIDE A TOTAL REWARDS STATEMENT?

Total Rewards Statements are typically provided at the end of each calendar year and include earnings for the full year. These can be handed out alongside the individual's T4 to help communicate that the investment made in an individual goes beyond the reported cash compensation.

HOW SHOULD YOU PROVIDE A TOTAL REWARDS STATEMENT?

A Total Rewards Statement is a powerful communication tool. While it might be tempting to produce the statements and then send them off, investing further in a discussion between a company representative (it could be a senior leader, HR or their manager) will help reinforce the key messages and allow for a genuine opportunity to thank the employee for their contributions and link those contributions. It also allows the individual to ask questions and understand when and how they can earn more.

Ensure anyone who is tasked with discussing the Total Rewards Statements with individuals receives guidance and/or training on how to present the information, why it's important and how to handle questions about compensation that they may not be able to answer – for example, questions about increases or market rates.

WHAT COULD BE INCLUDED IN A TOTAL REWARDS STATEMENT?

There is no right or wrong answer on what can and should be included in your Total Rewards Statements. Consider what your employees will want to know and determine if there are key areas of misunderstanding in how people are paid. Below are some ideas.

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SECTION ONE: EMPLOYEE EARNINGS INFORMATION

This is the critical component of the Total Rewards Statement, and it might be all you wish to communicate. Select the total rewards factors that are meaningful and impactful to team members. For this section, be sure to include only elements that can be quantified and equated to dollars spent/received.

Cash Compensation

Cash compensation should include anything paid to the employee, such as:

- Base Pay – include total base earnings from salary or hourly pay (excluding overtime).
- Overtime Pay – include any payment received for working overtime.
- Bonuses and Incentives – include any earnings received as a bonus or incentive, either through a formalized plan or at the employer's discretion.
- Pension/RRSP Contributions – include any contributions that the company has made on the employee's behalf to a pension plan or RRSP matching program.

Time Off Benefits

For time off benefits, it is helpful to quantify the amounts both in terms of days earned and payment made so that employees can understand the value of the time. You may choose to state these as entitlements or actual time off taken. Quantify and include any of the following:

- Vacation Pay
- Sick Pay
- Personal Days
- Other Time Off (for example; mental health days, birthday, volunteer days, etc.)
- Health & Wellness

Health and Wellness

Communicate if and how the company supports their teams' health and wellness, this could be through traditional group benefit plans or through less conventional ways.

- Group Benefit Plan – include the employer and employee contributions to the plan's premiums.
- Health/Wellness Spending Accounts – include any allowances provided for healthcare or wellness spending accounts.
- Employee and Family Assistance Program (EFAP) – include employer and employee contributions to the plan's premiums.

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Other Perks

- Cell Phone Allowances – quantify the value of the individual’s cell phone coverage.
- Vehicle Allowances – provide information on how much the company spends on the individual’s vehicle allowance or car payments.
- Per Diem Amounts – a summary of the total payment made for a per diem allowances.
- Paid Parking – quantify the value of the parking (note: if the company has a free parking lot but other buildings in the area have paid parking you may wish to determine how much the paid parking would cost the individual – for example; \$90 per month for 12 months = \$1080).

Learning & Development

Company’s that provide employees with an opportunity to further develop their skills can and should quantify the investment they make in their team members.

- Tuition Re-imbusement – include information on how much the company invested in the individual for tuition reimbursement.
- Training Fees – include any direct spend provided for training fee reimbursement. You may also wish to assign a value to any internal training programs based on market rates for similar training or by calculating the hourly rate of the participants and trainer multiplied by the number of hours of training.

SECTION TWO: KEY MESSAGES

This section of the Total Rewards Statement can be used to highlight other information or key messages that are worth sharing and related to what and how employees think and feel about their compensation. There really isn’t a formula on what to include here, each company will choose to highlight what is most important and relevant to them. Below are some ideas.

Company Data

Use this section to present company data that relates to compensation and demonstrates market competitiveness. For example:

- Market Data – provide information on the company’s philosophy towards market data and any information on market competitiveness research that was conducted. For example, we are committed to meeting market for all of our base pay rates. We conducted a full compensation review in June and we took action to correct any below market rates.

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- Pay Equity Commitment – demonstrate your commitment to pay equity through a formal statement or by providing information on your data and achievements.
- Pay Ranges – you may wish to publish the pay range for the individual on the statement so that they can understand where within their pay range they fall.
- Company Accomplishments – it can be very helpful to reiterate any big wins or successes that the company had in the year the statement is being produced for. This will help the individual align their own achievements with those of the company. For example, we were so proud of our entire team this year as we celebrated some significant milestones such as: exceeding our revenue targets by 15%, achieving zero lost time incidents and becoming a recognized Top Fleet Employer through Trucking HR Canada!

Earnings Opportunities

In some cases, employees may not be maximizing their earnings potential. Use this section to highlight how programs work or indicate what their earnings potential could be if bonus targets are achieved.

- Bonus Pay Opportunities – identify ways to demonstrate the earnings potential or maximums within bonus programs. For example: if your business unit's budget is achieved, the total earnings potential under this plan would be \$XX.
- RRSP Company Match / Pension Program – many individuals are not contributing at the amount required to receive the full company match. You may want to highlight the plan contribution levels and indicate how the employee can maximize the match. For example:
- Company Sponsored Savings Programs – your company may offer support to help employees invest and save by redirecting pay into personal savings or investment accounts. If this is an option, make sure to communicate how they can take advantage of this.

Non-Monetary Rewards and Perks

Companies often offer perks that are highly meaningful to employees but that don't have a direct, quantifiable value attached. It's important to highlight and share these perks anyway. Examples are outlined below.

- Flex Time and Preferred Scheduling – your company may offer flex time or preferred scheduling to assist with work/life balance. Describe the program (who it applies to and how to take advantage of it).

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- Holiday Parties and Social Activities – list any committees, events, company sponsored outings, etc. that your team members can participate in. If there is a specific fund allocated by the company, it may be helpful to quantify that.
- Modern Fleet and Facilities – provide information on how you keep the fleet modern, inviting and inclusive. List specific improvements or actions taken such as: building upgrades, technology enhancements, or fleet improvements.
- Community Involvement – highlight any action your company takes to be good corporate citizen. This might include volunteer programs, donations, participation in community events, sponsorships of local teams, charitable donation matches, etc.
- Experiential Rewards – if you offer any incentive trips or other experiences as rewards, make sure to highlight what they are and how employees can qualify to receive them.
- Vacation Buying Program – some company's offer the option to buy more vacation in lieu of salary increases. One week of vacation equals 2% pay. If this is something your company offers, make sure to highlight this as an opportunity.

Link to Culture

You may also wish to highlight specific culture elements that are important to the company and help drive engagement and pride.

- Mission, Vision and Purpose – remind team members what your mission, vision and purpose is and better still, how THEY contribute to these. If possible, provide specific examples of how specific categories of employees demonstrate these key culture components. For example, our fleet drivers contribute to our mission by... Our finance team helps achieve our purpose by...
- Core Values – you can never over-communicate your company values. Use this as an opportunity to highlight what your values are and if possible, provide descriptions on what they look like in action.

*****Get creative when putting your Total Rewards Statement together. Use the template on the next page to help you get started. *****

In addition to the Sample Total Rewards Statement, Trucking HR Canada has developed an Excel template to help you organize and format employee information for the Statement. If you are interested in a copy of the Excel template, contact info@truckinghr.com.

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SAMPLE TOTAL REWARDS STATEMENT (SECTION ONE)

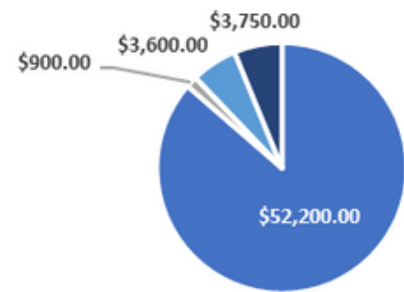
There are many ways that we work hard to make sure that we remain both fair and competitive in our compensation and rewards practices. Throughout the year, the company makes financial investments in your health and wellness through our group benefits plan, funds your ongoing training and development, provides you with company-related perks that make your work and life easier and provides you with much needed time off to relax and recharge with your family. We are pleased to share with you this personal Total Rewards Statement to provide an overview of your total rewards for [YEAR] at [Company].

TOTAL REWARDS FOR [YEAR] = \$60,450

CASH COMPENSATION

Your cash compensation includes your base salary, any overtime paid, bonuses or other variable pay earned, and the company's contribution to your RRSP. We work hard to ensure our compensation is competitive and we frequently assess and review our pay ranges against market.

Base Pay	\$45,000
Overtime	\$3,500
Bonuses	\$1,000
Retirement	\$2,700
Total	\$52,200



TIME OFF BENEFITS

**Included in Cash Compensation Above*

Your time of benefits include vacation, sick and other time off and is expressed in days and dollar value. Our time off policies have been created based on our belief that we all need time off to rest and rejuvenate and to ensure that we are taking care of ourselves and our families in times of urgent need.

Vacation Time Off (Days)	15
Vacation Pay	\$2,596
Sick Time Off (Days)	3
Sick Pay	\$519
Other Time Off (Days)	4
Other Time Off Pay	\$692
Total	\$3,807

OTHER PERKS

Tuition Reimbursement	\$1,250
Training Fees	\$2,500
Total	\$3,750

Where possible, [Company] seeks to find ways to take the financial burden off employees and/or simplify life by providing specific perks of the job. Examples include paid parking and cell phones.

HEALTH & WELLNESS

The company provides a number of health, dental and other wellness factors that help to ensure you and your families have access to both the preventative and necessary coverage you need to remain healthy.

[Company] pays [XX]% of your group benefits premiums and we provide a health spending account of up to \$[xx] per year per employee.

Employee Contributions	\$90
Employer Contributions	\$360
Health Spending Account	\$450
Total	\$900

LEARNING & DEVELOPMENT

Tuition Reimbursement	\$1,250
Training Fees	\$2,500
Total	\$3,750

We are committed to your professional growth and development. You can gain skills and access funding for learning and development through the company's tuition reimbursement program and by getting approval for job specific training courses.

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SAMPLE TOTAL REWARDS STATEMENT (SECTION TWO)

What a Year!

We want to thank all our team members for their commitment to [Company]. There are a few noteworthy achievements that we want to brag about. Together, we:

- Exceeded our revenue targets by 15%
- Achieved zero lost time incidents
- Became a recognized Top Fleet Employer through Trucking HR Canada

Well done and a huge thank you to everyone for your contributions.

We are committed to our core values. This year, we are pleased to recognize the following team members who exemplified our values:

Safety – John Doe
Speed – Jackie Sue Weber
Communication – Raj Patel
Team Work – Mary-Lou Chang

Are you maximizing your RRSP company match contributions?

Our company RRSP match program allows employees to contribute to their retirement fund while earning contributions from [Company] as well. The contribution amounts increase at various tenure milestones. Be sure to review the plan levels below to ensure you are maximizing the company's contributions to your future wealth.

[Insert plan levels & match percentages]

Did you know? [Company] offers much more than a pay cheque...

- Flex Time and Preferred Scheduling At [Company], we try to be flexible to balance business needs with employees' personal commitments. Employees can ask to be granted flexible work arrangements when required for personal needs (such as one-time medical appointments or parent-teacher interviews, as well as ongoing needs such as physiotherapy or family responsibilities, etc.). Each individual case will be reviewed carefully. Where possible, short periods of paid time off will be given to the employee and/or the work schedule will be modified to accommodate need.
- Holiday Parties and Social Fund [Company]'s Social Committee is funded by office, shop and yard employees, with a matching contribution from [Company].
- Modern Fleet and Facilities [Company]'s fleet is among the best in the business. Modern, comfortable, and safe – our drivers tell us it is a pleasure to drive this equipment. Our office and maintenance facilities are equally impressive – green space, clean and air conditioned.
- Community We are proud to live and work in [Our town]. Our employees and families enjoy a safe, affordable and welcoming environment. Our company is a strong contributor to the community and we support our employees in giving, too. We match a portion of our employees' charitable contributions and we have annual volunteering activities.

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This project is funded in part by the Government of
Canada's Sectoral Initiatives Program (SIP).



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