Compensation and Benefits Services

kpmg.com
As companies embrace new business models that include developing customer relationships and leveraging data, they face enhanced competition for attracting and retaining the right talent. To compete in today’s markets, an organization must have an attractive and well-administered compensation and benefits program.

Yet, the new global regulatory environment including tax-enhanced technology tools, and the increasingly competitive environment have added to the complexity of designing and administering effective and cost-efficient compensation and benefit plans. It is not surprising that one of the key C-level executives’ concerns is how to reward and motivate a skilled workforce while managing labor costs.

KPMG LLP can assist your organization with leveraging your compensation and benefits program and aligning your company’s goals and resources to gain a competitive edge. Our Compensation and Benefits practice professionals can assist you in designing and implementing plans and processes that will allow you to manage costs, improve performance, attract and retain employees, and boost your bottom line.
Our team

Our Compensation and Benefits practice comprises professionals from a variety of backgrounds, including accountants, actuaries, human resources (HR) generalists, benefit consultants, ERISA and technology practitioners, experienced private-sector compensation and benefits administrators, and former government officials. Our primary goal is to offer our clients a holistic perspective on compensation, through cross-functional teams that include highly experienced professionals with Global Mobility Services, HR Transformation, People & Change, and HR Transaction Services. In addition, our team of dedicated professionals in our Washington National Tax practice supports our “front-line personnel” by monitoring and evaluating the constantly changing regulatory, legislative, and judicial tax environment so that our services and recommendations comply with, and are at the forefront of, current marketplace demands.

Our services

Successful HR departments act as strategic partners, building organizational capabilities to drive business results. We offer a broad range of services to HR departments to assist them in maintaining their natural focus on meeting the ever-increasing demands in the marketplace while assisting them in achieving their strategic goals through cost containment, risk assessment, and staying current in the changing and complex HR regulatory environment. Our services focus on all aspects of the HR function including compensation, benefits, and moving beyond these programs to helping HR be a valued business partner.

**Employee benefit plan services**

Compliant and cutting-edge benefits will always be a cornerstone of any HR department. Our employee benefit plan services focus on helping companies keep their employee benefit plans current with an overriding goal to reduce risks and costs. Our services include review and assistance with the following types of arrangements:

- Qualified retirement plans
- Nonqualified plans, including Section 409A compliance
- Health plans, including VEBAs
- Fringe and welfare benefits
- Equity compensation
- Bonus – long-term and annual incentive
- Retention and severance payments
- ACA employer issues
Design and amendment
- Review and suggest language needed for plan amendments for recent law changes or changes in company needs
- Provide guidance regarding tax impact of new law changes
- Global benefits design, working with the company’s law firm
- Evaluate central versus decentralized management
- ESOP establishment or termination
- Provide context, impact, and guidance related to regulatory change
- Help companies participate in regulatory-driven new services (i.e., health exchanges for small employers)
- Employee-related self-insured liability accounting/actuarial assessments

Benefit plan reviews and IRS support
- Pre-or post-audit risk assessments and compliance reviews
- Employee benefit plan compliance (Form 5500s)
- IRS voluntary compliance filings and issue remediation
- Plan governance and operational reviews
- “Audit readiness” and documentation support
- IRS examination and notice assistance
- Fringe benefit reviews
- Travel reviews

Compensation consulting services
Compensation costs are generally one of the largest costs employers incur each year. KPMG understands that it is critical for organizations to receive a return on this investment through the intelligent control of these costs. Our compensation consulting services can help you to understand your existing programs, as well as provide design alternatives to help drive efficiencies. Given the cost of these programs, our Total Rewards Advisory professionals can also help you to understand the tax impact to your company and your employees.

Advisory services
- Total rewards strategy and design
- Total rewards cost benefit analysis
- Global management service agreements/payroll companies
- Financial reporting and proxy disclosure services
- Communication services including custom surveys
- Implementation of total rewards governance structures
• Implementation of total rewards programs including vendor identification and selection process
• Change management programs that support all aspects of total reward program implementations
• Medical cost volatility analysis
• Identification of population medical cost risk exposure
• Benefit Plan vendor assessments

**Tax services**
• Company and employee education programs
• Compensation and benefits reporting and withholding
• Process and controls
• Tax deduction assistance
• Section 162(m) reviews and assistance, including pre-IPO and post IPO services
• Section 409A reviews

**HR advisory services**
Our people and change group assists organizations with identifying and assessing risks and exposures within the HR function and related programs that impact an organization's ability to support its strategic initiatives.
• HR transformation services
• HR strategy review
• HR service delivery model development and vendor management
• HR process redesign
• HR team effectiveness and efficiency reviews
• Change management
• Organizational development
• Talent management
• HR technology alignment and optimization

**Deal advisory services**
Identifying HR costs and risks during due diligence, and addressing them during pre- and post-integration planning and implementation is critical to an acquisition's success. Our compensation and benefit professionals can assist with the assessment of the compensation, benefits, and people exposures related to mergers, acquisitions, and spin-off transactions beginning with due diligence through integration.
Due diligence services
- Review compensation and benefit programs to identify financial, tax, and regulatory costs and risks associated with the following:
  - Executive compensation arrangements
  - Equity
  - Retirement programs
  - Health and welfare
- Section 280G tax calculation, mitigation, and planning opportunities

Severance practices/policies
- Formal versus informal
- CIC provisions
- Union provisions
- Non-U.S. statutory requirements

Integration services
- Employee communications
- Severance summary plan description

Contact us
For more information about KPMG’s Compensation and Benefits services, please contact your local KPMG professional:

**Tax**

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