

Bulletin www.incentivefederation.org

January 2017

# 2017 Plans and Agenda

|  |
| --- |
| **Who does the Incentive Federation represent?**  The Incentive Federation is the only organization whose membership and leadership includes all of the industry’s national trade associations, as well as individual companies. It is under The Incentive Federation umbrella that the collective interests of the Incentive Marketing Association (IMA), the Promotional Products Association International (PPAI), The Incentive Research Foundation (IRF), and Society for Incentive Travel Excellence (SITE) are discussed, nurtured and advanced. |
|  |
| **IFI Mission Statement**  **The Incentive Federation is dedicated to promote, protect and research the incentive field, encompassing recognition, promotional products and related promotions.** |

The IFI Board of Directors voted in 2016 to slightly scale back the Federation’s plans for 2017, choosing to focus on influencing decisions about specific provisions of the U.S. tax code that might favor the incentive industry. Given the new administration’s declared interest in reforming and simplifying both business and individual tax regulations, the Board believes the best use of its resources is to monitor tax reform efforts in 2017.

Tax Treatment of Employee Awards

In past years the Federation has focused on maintaining and expanding favorable tax treatment of employee achievement, service and safety awards under provision 274(j) of the Internal Revenue Tax code.

Specifically, 274(j) allows employers to recognize and reward their employees under certain specific conditions without those employees' having to pay taxes on the value of those awards. It also allows the employers to deduct the value of the awards given out, up to a specified percentage.

The specific situations under which 274(j) can be deployed are for service award programs (where companies award a gift to their employees for every five years on the job) and, in a more limited scenario, to companies that deploy safety incentive programs that reward their employees for specific achievements in the area of safety.

The Federation will maintain vigilant monitoring of any legislative or regulatory attempts to alter the current tax provisions under 274(j) and look for opportunities to gain even more favorable treatment for these valuable types of employee awards.

OSHA’s Criticism of Safety Incentive Programs

The Federation in 2016 again filed formal comments opposing certain positions and skepticism the Occupational Safety and Health Administration has expressed in criticizing safety incentive programs. The Federation will continue to monitor OSHA’s guidelines and represent the industry’s position that incentives do work to help foster a productive and safe workplace.

**2017 Board of Directors**

The 2017 Board of Directors was selected in late November with the following industry professionals serving as officers and directors for the coming year.

Chair – **Paul Bellantone**, President, Promotional Products Association International

First Vice Chair, Associations – **Karen Wesloh**, Executive Director, Incentive Marketing Association

Second Vice Chair, Associations – **Kevin Hinton**, CEO, Society of Incentive Travel Excellence

Third Vice Chair, Associations – **Melissa Van Dyke**, President. The Incentive Research Foundation

Vice Chair, Corporations – **Michelle Smith**, Vice President, Business Development, O.C. Tanner

Treasurer – **Sean Roark**, Senior Vice President, IncentPros, Inc.

Secretary – **Kimberly Carrette**, Manager, CanonUSA

Director – **Kimberly Abel-Lanier**, Employee Solutions Leader, Maritz Motivation Solutions

Director – **Peter Hart**, CEO, Rideau Recognition Solutions

Executive Director and Counsel– **George Delta**, Esquire

The Board will conduct quarterly conference calls to share updates and timely information from each of the Federation’s association and foundation members. We’ll be sharing pertinent information with the IFI members following each of those calls.

George, Delta, IFI’s longtime legal counsel, will also be publishing a bi-monthly legal and legislative update to be posted on the IFI website as we track and monitor tax reform and other regulatory issues that might threaten the incentive industry.

**Incentive Industry Research**

With the Federation’s focus on opportunities for tax reform with the new Congress and administration, the Federation will not conduct a research project in 2017. However, the 2016 research study has plenty of implications to explore and it is accessible on the Federation’s website at [www.incentivefederation.org](http://www.incentivefederation.org).

Conducted in partnership with market research firm Intellective Group of St. Louis, the study measures the expenditures of businesses for non-cash rewards for employees, customers and partners. The results update studies from previous years and provide details about expenditures spent on gift cards, rewards points, travel, and merchandise by corporate America. New this year, the study also focuses on the number of program owners using award points.

The study of a cross-section of U.S. businesses confirms that award points, gift cards, incentive travel, and merchandise are commonly-used tools for firms seeking to reward and recognize their employees, sales teams, channel partners, and customers. Key findings from the study include:  
• 84% of U.S. businesses use non-cash rewards to recognize and reward key audiences in the form of award points, gift cards, incentive travel, and merchandise – up from 74% in 2013  
• In 2015, U.S. businesses spent $90 billion on these types of non-cash rewards, a 17% increase from $77 billion in 2013

Additional industry research will be conducted in 2017 by the Incentive Research Foundation, an IFI member organization, and its research can be accessed at [www.theirf.org](http://www.theirf.org).

**Questions, Concerns, Requests**

Please contact the Federation if you have any questions or learn of any issues you believe the Federation should be aware of. Since the Federation’s founding in 1984, its effectiveness in representing and protecting the industry with one voice has only been made possible through the financial support and active participation of industry organizations and companies.

Contact: Steve Slagle, IFI Managing Director, at [steves3309@gmail.com](mailto:steves3309@gmail.com) or 864-710-6739.