

Bulletin www.incentivefederation.org

**March 2017**

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| **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. |
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| **IFI Mission Statement**  **The Incentive Federation is dedicated to promote, protect and research the incentive field, encompassing recognition, promotional products and related promotions.** |

**OSHA Rules Being Challenged and Disapproved by Congress**

"Those of you who deal in Safety Incentives are aware that a new OSHA guideline, which went into effect on December first, defines any outcome based incentive criteria as being a rule violation.  While the industry has always been able to engage, discuss and challenge this on a case-by-case basis, the new rule creates a presumption of a violation, making a challenge much harder, and far more costly.   
   
So, I am pleased to share with you that thanks in part to the work of the Incentive Federation (the legislative, litigation and policy monitor/lobbyist for our industry), of which IMA is a founding member, the U. S. House of Representatives is actively challenging several recent OSHA rules, including resolutions already passed by the House and now being considered by the Senate!  While there is no current challenge on the OSHA guideline discouraging outcome based incentives, our industry welcomes the support of Congress against unfair and arbitrary rules, which are not otherwise supported by large scale studies and empirical data." - Sean Roark, IMA President, in IMA's March*Fast Take*Newsletter.

The Incentive Federation’s home page at [www.incentivefederation.org](http://www.incentivefederation.org/) includes a fairly detailed description of OSHA’s Safety and Health Program Management Guidelines that were issued in December 2016. Links are provided to review the guidelines and as well as explanatory memos from OSHA. The Federation 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 incentive programs do work to help foster a productive and safe workplace.

**How the Fiduciary Rule Affects Incentive Travel and Awards Programs for the Financial Marketplace**

The Department of Labor issued a new rule in 2016, scheduled to be implemented by January 2018 that has significant implications for companies offering incentive travel and awards programs to the financial marketplace. Unless the current administration changes the course of the rule, the new "fiduciary" rule may make incentive programs a thing of the past for those selling financial products to the public.

Until there is greater clarity with respect to the new fiduciary rule, some financial institutions may be leery of using incentive or award programs to motivate and/or compensate their employees, while others are restructuring their programs to place a greater emphasis on general recognition and education, for example, instead of providing sales-based incentives.  Although financial institutions may be overreacting, that is understandable in the context of prior practices when conflicts were rife, as fund companies competed to encourage brokers and advisors to put people in their funds, regardless of the clients’ best interest.  Mutual fund companies also compensated intermediaries with trips to exclusive destinations and other lavish prizes. For IFI’s Legal Counsel George Delta’s full explanation of the new rule's impact, click [here](http://www.incentivefederation.org/wp-content/uploads/2017/03/IF-Wash-Update-03.15.17.pdf).

**Spotlight on Incentive Industry Research**

**SITE Index 2017: The Annual Analysis and Forecast for the Incentive Travel Industry**

The SITE Index examined internal and external challenges to the industry and how these factors impact the stability and growth of our market, addressing behaviors of buyers and supplier partners, providing leading indicators for future trends.

Click [here](http://www.siteglobal.com/page/site-index) to see the webinar and results of the study.

**2017 Plans and Agenda**

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 government regulations and 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 and other pertinent legal issues in 2017.

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**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.