

## Who are the Incentive Federation's members?

The Incentive Federation is the only organization whose membership and leadership includes all the industry's national trade associations, as well as individual industry 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 the Society for Incentive Travel Excellence (SITE) are advanced.

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## Independent Contractor Status of Thousands Threatened by New Federal Legislation

As reported recently by PPAI, the organization and the promotional products industry are pushing back against a bill in Congress that would effectively ban independent contractor classifications under federal labor law. PPAI has also joined with several industry coalitions, such as Coalition for a Democratic Workforce, representing hundreds of trade organizations, to oppose the legislation. IMA is equally concerned as many IMRA reps are subject to the same law.

The bill was passed by the House of Representatives on March 9, 2021, and has been forwarded to the Senate for consideration. Passage by the Senate is less certain.

The Protecting the Right to Organize (PRO) Act, H.R. 842, amends the National Labor Relations Act to establish a new definition of employees which expressly eliminates independent contractors in the U.S. The new legislation makes a broad presumption that all workers in the U.S. are employees unless each element of a newly established "ABC" test can be demonstrated. PPAI is opposed to the PRO Act because, if signed into law, it would significantly change how thousands of promotional products companies interact with each other, and it will eliminate jobs in the industry. Specifically, the PRO Act would abolish independent contractor agreements, enforce government control over private employment contracts and significantly broaden risk exposure to joint employer liability.

The legislation also sets new criteria for determining occupational status as an independent contractor instead of an employee. The proposed new criteria entail a three-pronged test for which each of the requirements must be proven if an independent contractor wants to retain his or her status under federal labor law.

There is a long-standing debate about whether individuals who provide services to a business are employees or independent contractors. That debate saw a resurgence in 2019, when California's governor signed Assembly Bill 5 into law. The legislation, which was revisited in 2020, effectively bans companies from classifying most workers in California as independent contractors. The law also outlines some exceptions to the employment standard and establishes a three-pronged test for determining independent contractor status in California.

A. The first element of the employment test requires the worker to be free from the control of the hiring organization. This condition must exist in the text of the contract as well as in the practice of the contractor's work.

- B. The second element of the test requires the work being performed to be outside the normal course of business for the hiring organization. This perhaps the most challenging of the new “test.”
- C. The third element of the test is a requirement for the contractor to be involved in an occupation or trade that is independently established and the same type of work that is being performed for the hiring entity. This test makes the presumption that a worker is an employee unless all the elements are demonstrated by the hiring organization.

Soon after California’s Assembly Bill 5 was passed into law, the U.S. House of Representatives passed a similar measure. The Protecting the Right to Organize (PRO) Act amends the National Labor Relations Act to establish a new federal definition of the term “employee” which expressly eliminates independent contractors in the U.S. The new legislation makes a broad presumption that all workers in the U.S. are employees unless each element of a newly established “ABC” test can be demonstrated.

The relevant state legislation and the PRO Act changed the nature of the discussions concerning labor classifications and independent contractors. Before last year, these conversations involved classifications pursuant to tax legislation. Because of the new legislation that was introduced, the conversations about employment categories shifted to discussions about proposed modifications to existing labor laws. More than ten different standards define the term “employee” among the states and the federal government.

The IFI, PPAI, and the IMA are all working to inform their members about the pending legislation and to encourage members to oppose the bill by emailing their elected representatives. PPAI has an efficient tool that provides an easy way to send an email to representatives. Please use and share the link to PPAI’s Action Alerts for an easy way to voice your opposition to the legislation:  
<https://advocacy.bgov.com/v2form.html?uuid=1007fd02-0e7f-4b5b-a6f9-bcc0a0439e75&cs-preview=true>. You can customize your message.

## **The IRF Releases Report on Event Alternatives and Their Impact on Culture**

More than a year has passed since global air travel restrictions were announced in early February 2020.<sup>1</sup> Since then, US travel spending has plummeted, falling 42% in 2020, including 34% on domestic travel, and 76% on international flights. Overall, air travel has declined by more than 50% in 2020 versus 2019, and hotel occupancy rates hit all time historic lows at 44% in 2020 (21% for luxury hotels).<sup>2</sup> In 2020, the US travel industry lost about \$500 billion.<sup>3</sup> Employment in US hotels dropped by almost 700,000. Across the entire US hospitality industry 536,000 jobs were lost in December 2020 alone and about four million in 2020 overall.<sup>4</sup> Worldwide, losses related to international travel – a category that suffered declines of between 70% to 75% globally in 2020 – likely exceed \$2 trillion.<sup>5</sup>

As disastrous as the Covid-19 pandemic has proven for the hospitality sector overall, it may have had an even deeper impact on the incentive travel, meetings, and events portion of the industry. While many individuals continued to travel for leisure throughout the pandemic – if mostly by car to nearby destinations<sup>6</sup> – only a small minority of leaders within the organizations interviewed for this study permitted incentive-related travel over the past year. Instead, these organizations have accelerated and/or devised alternative means of rewarding, recognizing, and meeting during Covid-19.

This study describes the alternatives to incentive group travel and offsite business meetings and events that organizations have instituted or augmented over the past year and the impact on corporate culture, including salespeople and employee engagement. It is based on interviews with 20 industry experts, including 11 who lead incentive group travel and events in large firms (hereafter referred to as in-house), and nine who design incentive programs for clients across various industries (hereafter referred to as third parties).

Results from interviews combined with an extensive review of recent and related data, research, surveys, articles, and webinars to offer insight into how organizations have continued to motivate and recognize employees and stakeholders during the pandemic, while also connecting people socially for meetings and events.

To see the complete research report, click [here](#).

## **New Affiliation Agreement Brings Together Industry-Leading Incentive and Recognition Associations**

The Incentive Marketing Association (IMA) and Recognition Professionals International (RPI) announced the organizations have signed an affiliation agreement.

The affiliation gives both organizations a larger network and scope of education and combines their reach and resources to build a stronger voice for the incentive, rewards and recognition industry. It also offers operational efficiencies and provides a means for the organizations to better explore the opportunity for RPI to join the IMA family as a strategic industry group (SIG).

"This new relationship with RPI is exciting news for the IMA. The educational resources and new perspectives each organization brings clearly enhance member value for both organizations and help us deliver on our closely aligned missions," said IMA President Len Sadek, CPIM.

"The affiliation between RPI and IMA is making two great associations even greater as our relationship will allow us to further our purpose to drive employee engagement, enhance organizational performance and increase employee recognition. Our alignment will benefit marketers, employee practitioners and solution providers alike," said RPI President Tonda Ferguson, CRP.

The IMA's mission focuses on advocating for and promoting the use of incentives and recognition to improve business performance. RPI's mission is to enhance organizational performance through employee recognition by providing access to best practice standards, education, research, and the exchange of ideas. Both are important components in amplifying the message that incentive and recognition programs help create positive business cultures and improve business performance.

Together IMA and RPI members provide a valuable resource network for businesses that want to develop successful employee recognition, sales incentive and customer loyalty programs based on research and industry best practices standards.

To streamline operations for the affiliation, RPI will move its headquarters to the IMA office.

### ***Things to Know and Think About***

#### **RPI Webinar: Recognition as a Performance Driver – March 18, 2021 1:00 pm ET**

During this session, David Klein, CRP will briefly share his experiences building recognition as a performance driver; then engaging all participants in an active best practice sharing dialogue.

Click [here](#) for information.

#### **IGCC Virtual Mini Conference: March 24, 2021, 9:00 – Noon CT**

This half-day conference is the premier event focused on connecting business professionals within the gift card industry. With a schedule primed full of networking and education sessions, you will discover strategic tools and tips to advance your programs!

To learn more and register click [here](#).

#### **Incentive Live -- April 7-9, 2021 Tucson, AZ**

Presented by Northstar Meetings Group, Incentive Live 2021 offers a fresh destination — Tucson — and a compelling agenda that makes this event a must-attend for industry professionals. In addition to one-on-one appointments with top incentive destinations, hotels/resorts, cruise lines, DMCs, DMOs, brand name merchandise, gift cards and tourism offices, Incentive Live presents leading industry experts providing the

latest perspective on industry trends and best practices that will help take your incentive programs to the next level.

The content-rich agenda features a “deconstructed” version of our Incentive Roundtable focusing on industry disruptors. Other highlights include deep-dive breakouts into topics to help incentive pros boost their business and Meet the Masters, an interactive panel where Motivation Master winners will share insider tips into what makes an award-winning program. Peer-to-peer networking and social events will enhance the experience for buyers and suppliers.

For more information click [here](#).

## Robin Report

Some of you are familiar with the **Robin Report**, a newsletter that includes a lot of articles related to retail, brands, and consumer behavior. Given the relationship between retail and special markets, you may find the articles below thought provoking or at least interesting.

### Malls Are Transforming into...Corporate Centers?

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If you have questions, advice for the Board, or want to raise issues for the Board to think about, please contact Steve Slagle at [steves3309@gmail.com](mailto:steves3309@gmail.com) or 864-710-6739.