

Methodology/Disclaimer

SalariesReview

U.S./Canada Employee Benefit Internet Based Survey

SalariesReview surveys are on-line, real-time databases quite unlike any traditional surveys you might have used before. SalariesReview was created by and operates under license from **ERI Economic Research Institute** to provide online survey capabilities and, in March of 2005, won the Patent for online interactive salary surveys. This survey is gathered by personnel from **PAQ Insurance Services, Inc.**, a firm licensed to inquire concerning benefit matters in all states, including Connecticut. Data is gathered from non-copyrighted sources, inputs from on-line Internet participants, and PAQ Field Researchers. For example, if the database contains ten measures for an employee benefit practice or level and an eleventh is added, the median, weighted average, low, and high costs will be adjusted, as will the number of data inputs. Inputted data is tested against a standard error for the cost measure. If within the acceptable range, it is included. Data that is not included is "flagged," and an e-mail is sent to PAQ researchers to have this data reviewed before it is included in the database.

Survey data is contributed on-line via the Internet. Respondents include compensation and benefits professionals, Human Resource and Internet users, non-copyrighted additions, and PAQ Field Researchers.

Since data is collected at various times with varying effective dates, as is the case with all surveys, data will be adjusted slightly to reflect a standardized Survey Data Collection Date of the first day of the quarter preceding any inquiry. Data that reflect costs preceding this date by more than 24 months are excluded. Therefore, data collected for a product or service may decrease in sample size from one month to another, and data results may change slightly from one quarter to another because of aging and sample size changes.

Use of This Data - Disclaimer

This data is provided "as-is," and SalariesReview, ERI, and PAQ make no warranty, either express or implied, including but not limited to, warranties of correctness and fitness for a particular purpose. In no event will SalariesReview, ERI, or PAQ be liable for any indirect, special, consequential or other damages however caused.

Data Input

PAQ collected data are used to create comparative analyses of the cost of living in each of over 5,800 cities in 76 states, provinces, and territories within the U.S. and Canada. This collection of costs in each country's currency allows PAQ to construct a common denominator, with U.S. or Canadian National norms, which then allows for the algebraic comparison of any U.S./Canada city's costs against another, even if between Canada and the U.S.

Internet users are asked to input data only for the country, state, and the city requested. A feature that allows for quick selections by entering a postal or zip code lets the first three of these steps be combined into one.

Country

In Step 1, the U.S. or Canada may be selected. At this time, PAQ collects data for foreign locations, but as yet has not included it in this survey.

State/Province

In Step 2, any one of 76 states, provinces or territories may be selected.

City

In Step 3, any one of over 5,800 U.S./Canadian cities may be selected. PAQ's research design calls for the consolidation of practices and measures into 633 city/areas within 76 state and provinces. Survey data is compiled for each of these areas, while legislative notes are kept on a state and province basis.

Reduce Costs/Contribute Data

If an Internet inquirer contributes information regarding costs for employee benefits for the city/area in which he/she is employed, the contributor will receive a single report for free. For example, if four reports are purchased, the charge will be for three.

Report Fields and Search Results

Data for this survey is currently confined to 46 key employee benefit practices plus industry and size queries for 5,800 U.S./Canada locations. Survey data is contributed on-line via the Internet. Data is collected in the currency of the respective country. For example, Canadian data should be entered as Canadian Dollars.

It is recognized that each of the spending categories requires larger sample sizes, the number of items measured, to lower the standard error estimated to be +/- 3% and that individual additions may, with the present low number of measurements, significantly affect the reported results. Inputted data is tested against a standard error for the population and, if within the acceptable range, is included. Data not included is also "flagged," and an e-mail is sent to PAQ to have this data reviewed. It is expected that the standard error for testing and the overall error rate of this survey will decrease monthly as the datasets for areas become more complete. When fully operational, this dataset will expand in terms of measurements, now limited to the following:

City Name

Select a city name from the menu generated by the Internet. At this time, data is being compiled only on a province basis in Canada. For the U.S., PAQ measures costs and practices within 631 U.S. areas reflecting the OES areas used in the U.S./Canada Wage and Salary Internet Based Survey.

State or Province

Select the appropriate state or province. The zip code feature makes quick inputs possible.

Industry

Select the major industry group in which you are employed or employ personnel. Note that PAQ utilizes the new North American Industry Classification System.

Employee Size

Select the closest description of the employee unit for which you are describing benefit coverage.

Single Employee Monthly HMO Cost

This is the monthly cost to the employee, often taken as a form of payroll deduction. Health Maintenance Organizations are prepaid medical groups that provide a comprehensive set of predetermined medical care coverage. The total cost to the organization for a single male employee, age 30, is collected below. This is the monthly amount reimbursed to the organization by the individual. In Canadian provinces with public plans, this is the monthly amount charged to the individual who elects coverage, as in B.C. and Alberta.

Single Employee Monthly Traditional Insurance Plan Cost

This is the monthly cost to the employee, often taken as a form of payroll deduction. These types of plans, often named "indemnity plans," are traditional fee-for-service insurance plans where a patient may choose whichever doctor or hospital she/he prefers. The organization pays premiums to a health insurance company, and that company administers the paying and providing of benefits, often with an annual deductible and/or co-payments by an employee. This field should be left blank if no such plan of this type exists, as is the case in over 50% of U.S. companies.

Single Employee Monthly Dental Cost

This is the monthly cost to the employee, often taken as a form of payroll deduction. These types of plans may be either indemnity or HMO or any equivalent. Employees may pay a standard visit fee, an annual deductible and/or co-payments by an employee. The total cost to the organization for a single male employee, age 30 is collected below. This is the monthly amount reimbursed the organization by the individual.

Family Monthly HMO Cost

This is the monthly cost to the employee, often taken as a form of payroll deduction. Health Maintenance Organizations are prepaid medical groups that provide a comprehensive set of predetermined medical care coverage. The total cost to the organization for a family (largest family size covered) is collected below. This is the monthly amount reimbursed to the organization by the individual for this coverage.

Family Monthly Traditional Insurance Plan Cost

This is the monthly cost to the employee, often taken as a form of payroll deduction. These types of plans, often named "indemnity plans," are traditional fee-for-service insurance plans where a patient may choose whichever doctor or hospital she/he prefers. The organization pays premiums to a health insurance company, and that company administers the paying and providing of benefits, often with an annual deductible and/or co-payments by an employee. This field should be left blank if no such plan of this type exists, as is the case in over 50% of U.S. organizations.

Family Monthly Dental Cost

This is the monthly cost to the employee, often taken as a form of payroll deduction. These types of plans may be either indemnity or HMO or any equivalent. Employees may pay a standard visit fee, an annual deductible and/or co-payments. The total cost to the organization for a family (largest family size covered) is collected below. This is the monthly amount reimbursed the organization by the individual for this coverage.

Employee Medical No Coverage

This measure indicates that either coverage for this benefit is not provided and/or the employee may have elected not to participate in this benefit plan.

Employee Dental No Coverage

This measure indicates that either coverage for this benefit is not provided and/or the employee may have elected not to participate in this benefit plan.

Other Benefits - Basic Life Insurance

Indicate whether or not the organization provides Group Life Insurance.

Other Benefits - Supplemental Life

Indicate whether or not the organization provides Supplemental Group Life Insurance.

Other Benefits - Vision

Indicate whether or not the organization provides Group Vision Coverage.

Other Benefits - LTD

Indicate whether or not the organization provides Group Long Term Disability Insurance.

Other Benefits - STD

Indicate whether or not the organization provides Group Short Term Disability Insurance.

Other Benefits - Pretax Payroll Deductions

Indicate whether or not the organization utilizes a "POP" approach where employee payroll deductions and contributions to pay for medical or dental coverage are contributed monthly on a before-tax basis.

Other Benefits - Dependent Care Pretax Payroll Deductions

Indicate whether or not the organization utilizes employee payroll deductions so that Dependent Care expenses is paid by the employer.

Other Benefits – Health Care Pretax Payroll Deductions

Indicate whether or not the organization utilizes employee payroll deductions so that before-tax monies could be set aside to cover medical expenses in a "use it or lose it" individual account.

Other Benefits - EAP

Indicate whether or not the organization provides an Employee Assistance Program.

Other Benefits - Pension

Indicate whether or not the organization provides a retirement plan commonly termed a "defined benefit" or pension plan, or whether the organization makes contributions to a pension plan of some type, such as multi-trust, etc. These plans typically pay retirement benefits as a percentage of one's career or final years' pay.

Other Benefits - Profit Sharing/Thrift/401(k)

Indicate whether or not the organization utilizes a "defined contribution" plan of any type, including the ESOP below. These plans provide for individual accounts to which both an organization, public or private, and an individual may contribute funds to an individual's account with the deferral of income taxes.

Other Benefits - ESOP

Indicate whether or not the organization utilizes an Employee Stock Ownership Plan.

Other Benefits - Long Term Care

Indicate whether or not the organization provides Group Long Term Care.

Vacation after 1 year of service

Enter the number of days.

Vacation after 5 year of service

Enter the number of days.

Vacation after 10 year of service

Enter the number of days.

Vacation after 20 year of service

Enter the number of days.

Vacation can be carried over

Yes, No or not known.

Sick Leave after 1 year of service

Enter the number of days.

Sick Leave after 5 year of service

Enter the number of days.

Sick Leave after 10 year of service

Enter the number of days.

Sick Leave after 20 year of service

Enter the number of days.

Sick Leave can be carried over

Yes, No or not known.

Holidays Per Year

Number of scheduled Holidays for the current year.

Personal leave per year

Enter the number of scheduled days of leave that do not fall into the Holiday, Sick Leave, or Vacation categories above.

Single Employee Coverage - Employer Monthly HMO Cost – if Known

This is the monthly cost to the employer, if known. Health Maintenance Organizations are prepaid medical groups that provide a comprehensive set of predetermined medical care coverage. The amount shown should be the total cost to the organization for a single male employee, age 30, non-smoker.

Single Employee Coverage – Employer Monthly Traditional Insurance Plan Cost – if Known

This is the monthly cost to the employer, if known. These types of plans, named “indemnity plans,” are traditional fee-for-service insurance plans where a patient may choose whichever doctor or hospital she/he prefers. The organization pays premiums to a health insurance company, and that insurance carrier administers the paying and providing of benefits, often with an annual deductible and/or co-payments by the employee.

Single Employee Coverage - Employer Monthly Dental Cost – if Known

This is the monthly cost to the employer, if known. These types of plans may be either indemnity or HMO or any equivalent. Employees may pay a standard visit fee, an annual deductible and/or co-payment.

Family Employee Coverage - Employer Monthly HMO Cost – if Known

This is the monthly cost to the employer, if known. Health Maintenance Organizations are prepaid medical groups that provide a comprehensive set of predetermined medical care coverage. The amount shown should be the total monthly cost to the organization for the largest family group covered.

Family Coverage – Employer Monthly Traditional Insurance Plan Cost – if Known

This is the monthly cost to the employer, if known. These types of plans, named “indemnity plans,” are traditional fee-for-service insurance plans where a patient may choose whichever doctor or hospital she/he prefers. The organization pays premiums to a health insurance company, and that insurance carrier administers the paying and providing of benefits, often with an annual deductible and/or co-payments by the employee.

Family Coverage - Employer Monthly Dental Cost – if Known

This is the monthly cost to the employer, if known. These types of plans may be either indemnity, or HMO, or any equivalent. Employees may pay a standard visit fee, an annual deductible and/or co-payments.

Hospital room cost before insurance

Enter the median cost of a standard one-night stay in a semi-private hospital room with two beds.

Doctor office visit cost before insurance

Enter the cost of a standard doctor's visit (American Medical Association procedure 99213).

Dentist office visit cost before insurance

Enter the cost of a dentist's office visit for periodic cleaning (American Dental Association procedure 1110).

Definitions

Requested Country

Only Canada and the U.S. are listed. Two-hundred and ten other countries are found in SalariesReview.com's U.S./Canada Employee Benefit Based Survey. Present plans are to combine Mexico in the former survey beginning in the year 2001, reflecting the "common economic country/zone" created by NAFTA.

Requested City

Any of over 5,800 U.S./Canada cities may be selected. Each has been cross-walked to a respective "employment area" roughly described as an area in which a working commute may be made. For all states and provinces, a "catch-all" area exists described as "Balance," which may include costs from cities many miles apart.

Survey Median

A **Median** cost is a boundary. A cost median estimate is the boundary between 50% of the lowest costs and 50% of the highest costs. Half of costs collected are higher than the median cost, half are less.

Survey Average

A **Mean** is calculated by summing all inputs and dividing this sum by the number of measures. With initially seeded data, PAQ may multiply the measure factor times the reported mean and then utilize this as the sum to which an individual measure is added (dividing by the sum of the measure factor plus one).

Survey Publication Date

PAQ assumes that the system date is in fact the correct date. This is the date on which an U.S./Canada Employee Benefit Internet Based Survey Report is accessed and/or printed.

Latest Data Collection Date

This date is defined as either 1 Jan 200x, 1 Apr 200x, 1 Jul 200x, or 1 Oct 200x using the European/U.S./Canada day, month, year sequence. In reality, if an Internet inquirer submits data for the position for which a report is requested, the report's data will be adjusted by that input, if only slightly because of sample size. This adjustment, however, will be slightly reduced so as to match the quarter collection date unless, for example, the data is inputted on 1 July when the adjustment would be zero percent. Data entered may or may not affect the median, with values expressed as whole numbers.

Population

This count of number of inputs is, to begin, a low of either "1," representing PAQ's initial survey consensus collection, or "11," representing PAQ researcher's field audit. Each additional Internet survey input will increase this count by "1" (or the number of incumbents and/or entries made).

Survey Area

Areas shown are those commute and metropolitan working areas defined by ERI. This methodology matches the new OES areas and, in Canada, provinces and/or territories including the Nutavuk Territory, found in SalariesReview's U.S./Canada Wage & Salary Internet Based Survey. These areas are each defined as a collection of finite counties where counties or sub-divisions exist. The logic behind these definitions is that they represent areas in which individuals might live and commute to work.

Currency

Will vary by country as information is collected. Canadian benefits are reported in Canadian currency.

Methodology/Description

As found in this prose.

Complete Report and In-Depth Analyses

Because of the U.S. Health Insurance Portability Act that allows each state to set laws that supersede ERISA, PAQ collects notes regarding each state, territory, and provincial legislation that affects compensation and benefits.

Sampling Frame

The sampling frame for this survey includes data from Internet participants, field research, and the potential "seeding" information from non-copyrighted sources. The latter is minimal.

Method of Data Collection

Data is submitted by participants via the Internet.

Estimation Methodology

PAQ's surveys reflect the evolving use of the Internet and its ability to collect data sample sizes large enough to be considered significant. All data is collected over time, with older data being updated to match current input. SalariesReview data are adjusted to the first day of the preceding quarter using benefit cost forecasts equal to approximately 60% of PAQ's estimated medical inflation rate (modest 1999-2001 for Canada, but 11%-15% for the U.S.). Such a procedure assumes that each benefit element's costs move according to the average movement of all costs and that there are no significant geographic differences. Since this may not be the case, the cost-updating procedure has some quality limitations.

Improvement of Data

To create this survey, SalariesReview initially utilized the costs created by a PAQ. As data for cost items are collected, the effect of this modeling will be minimized. Over time, it is expected that datasets will become heavily weighted by inputs from Internet respondents. But initially, one should expect data to be more heavily weighted by the seeding of non-copyrighted and PAQ's contributed data.

Survey Publisher

The publisher is SalariesReview.com.

Survey/Source Name

SalariesReview.com's U.S./Canada Employee Benefits Internet Based Survey

Statement as to the Relevance and Reliability of Data

Relevance is totally determinable by the circumstances and situation presented. See this Methodology's Disclaimer.

Reliability is described in a four part, non-exclusive summary to match the *Daubert* challenge:

Theory/Technique Demonstrations

Methodologies accompany each SalariesReview survey and PAQ's Internet presentation. These methodologies include definitions of terms, examples of calculations, and identifications of sources and data updates.

Subject to Publication and Peer Review

SalariesReview surveys and PAQ's Internet visits now exceed 500,000 a month to www.salariesreview.com and www.salaryexpert.com. PAQ's "peers" are its competitors, those firms that also provide data analyses to their clients.

Known or Potential Rate of Error

Each SalariesReview survey illustrate, via a "Reliability Statistics" link, the beginning of a statistical overview of PAQ data.

General Level of Acceptance within the Discipline's Community

Internet online surveys should be differentiated from "free Internet" data sites that do not disclose their source data.

Individuals who contribute data are not charged for their first, single data retrieval. Select one of the surveys below:

Salaries, Wages & Remuneration Skill-Based Survey

A report of any one of 24,000 position title's competitive salary and incentive data in any of 8,400 locations. Data is shown in the currency of the country.

Cost-of-Living Survey

A report listing 18 key cost items affecting housing, transportation, taxes, services, and consumables for 8,400 cities/locations with an area's COL compared to the national average of the country selected.

Employee Benefit Survey

A survey of 48 key employee benefit practice measures, including employee and organizations' costs in 49 industries across 76 states, provinces, and territories and 647 metropolitan employment areas, for US and Canada only.

College Graduate Offer Skill-Based Survey

A report of salary and first year incentive offers to college graduates in any of 7,200 worldwide locations for any one of 1,800 degrees using a 5,100 worldwide college/university database.

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U.S. Patent No.: 6,862,596