



NOT JUST RIGHT, RIGHT FOR YOU.



Rick Wagner, JD

Rick has over 20 years of experience custom designing human resource solutions. He has deep technical expertise in areas such as employee stock ownership plans, equity-based long-term incentive plans, deferred compensation structuring, retirement and welfare plans, and compensation benchmarking/ reasonable compensation analyses in both the for-profit and not-for-profit sectors. These skills enable Rick to help his clients pursue their strategic objectives by aligning owner and employee interests, while navigating the myriad of tax, accounting, and regulatory challenges.

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Brook Erker, CPA

Brook has nearly 20 years of experience in accounting, consulting, and large corporate human resource departments, primarily focused on employee benefits. Brook provides insightful consulting on all aspects of employee benefit plans, including on-site internal human resource department support, with the goal of assisting companies in ensuring their plans are both technically compliant, and are operating efficiently and effectively in support of the company's strategic objectives.

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REASONABLE COMPENSATION – MARKET ANALYSIS AND MORE

The concept of Reasonable Compensation is a fundamental principle of the tax code as a condition precedent to the deductibility of compensation expense. But more than that, the issue arises in various different contexts with complex subtleties.

The cornerstone of a Reasonable Compensation analysis is a market benchmarking study, but that's not as simple as it sounds. Benchmarking is more art than science. Further, every Federal Circuit uses a slightly different test with as many as 15 factors for consideration, just one of which is the market analysis.

We've conducted studies for:

- A University President in contract negotiations,
- A C-Corp business owner under IRS audit,
- A museum director looking to structure a supplemental retirement plan,
- An S-Corp looking to substantiate an R&D tax credit,
- A church evaluating its Pastor's compensation package, and many more

CHRS is uniquely qualified to perform Reasonable Compensation analyses because we understand more than just the process of developing a market benchmarking study. We understand what it means to support reasonable tax positions; to structure and document diligent compensation governance; to satisfy the not-for-profit intermediate sanction safe harbors; and, if necessary, how to defend against a regulatory attack on a compensation related tax position.

Further, as experts in qualified retirement plans, non-qualified deferred compensation plan, equity-based long-term incentive plans, and incentive plan design, implementation, and process development, we know how to incorporate market benchmarking into an organization's overall compensation design, and strategic business plan.

Call us to see how we can help you.