

# Benefits as Part of Compensation

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**Professional Development Series**

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# Employer Paid Benefits

- Cost the employer approximately 35-40% of annual compensation

## **Shared Costs**

Medical, Dental, Vision

## **Employer Provided**

Often provide Basic Life Insurance benefit

Short/Long Term Disability Coverage

## **Paid Time Off**

Vacation, Holidays, Sick, Jury Duty, Bereavement, Maternity Leave

## **Retirement**

Social Security 6.2%

Medicare 1.45%

Employer match to a 401(k) or 403(b)

(usually requires 5 years to vest employer match)

## **Workers' Compensation**

# Benefits Eligibility

- Employee Status – Usually expressed in FTE (full-time equivalent, 2080 annual work hours)
  - Full-Time
  - Part-Time
  - PRN – when necessary (“pro re nata”)
  - Contract
- According to the Bureau of Labor Statistics, March 2016
  - Retirement Plans (private sector) available to
    - 80% of full-time (FT) employees
    - 37% of part-time (PT) employees
  - Medical Care (private sector) available to
    - 86% of FT employees
    - 20% of PT employees
    - *Employer paid approximately 79% of the premium for single coverage and 68% for family coverage for full-time employees*
  - Sick Leave (private sector) available to
    - 76% of FT employees
    - 30% of PT employees
- US Bureau of Labor Statistics (BLS) Employee Benefits Survey page is a good launching point for eligibility and participation in different types of employee benefits: [www.bls.gov/ncs/ebs/](http://www.bls.gov/ncs/ebs/)

# Total Compensation

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- Salary, Differential or Premium pay, Sign-on Bonus, Profit Sharing or other Performance-based bonus, and Benefits combined make up the total compensation package.
- Consider intangibles like environment, philosophy, and growth opportunities.
- Make a list of areas of importance to you.

# Categories of Benefits

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- **Time Off**
- **Insurance Plans**
- **Retirement Plans**
- **Miscellaneous**

# Time Off

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## ■ Paid Time Off (PTO)

- Most common of many categories are Vacation leave and Sick leave (paid Maternity Leave package)
- Accumulates based on years of service and hours worked per week
- Usually has a cap or maximum balance
- May allow a “cash-in” where you sell back hours for cash

# Time Off

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## ■ Holidays

Most employers recognize 7-8 holidays:

- New Years Day
- Mardi Gras
- Easter Sunday
- Memorial Day
- Fourth of July
- Labor Day
- Thanksgiving
- Christmas Day

May pay in addition to Paid Time Off or  
require submission of personal time in order  
to be paid

# Time Off

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## ■ Bereavement Pay

- Up to 3 days off with pay for immediate family;  
1 day for other family members
- Employer defines relationships that qualify in each category.



# Time Off

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## ■ Jury Duty/Court Appearance

- Full day pay for a set number of hours
- Some employers require you to turn over check received for service; others pay the difference.

# Time Off

## ■ Leave of Absence

- FMLA requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to eligible employees for the following reasons:
  - For incapacity due to pregnancy, prenatal medical care or child birth;
  - To care for the employee's child after birth, or placement for adoption or foster care;
  - To care for the employee's spouse, son or daughter, or parent, who has a serious health condition; or
  - For a serious health condition that makes the employee unable to perform the employee's job.
- Employees are eligible if they have worked for a covered employer for at least one year, for 1,250 hours over the previous 12 months, and if at least 50 employees are employed by the employer within 75 miles.
- FMLA protects job and some benefits but does NOT require employer to provide paid time off.

# Insurance Plans

## ■ Health Insurance

- Cost shared between employee & employer
- Most employers offer pre-tax premium contribution which subjects participants to IRS rules which affect your ability to make changes outside of the defined Annual Enrollment Period
- Employers define who is eligible for coverage – ask what type of confirmation you need so that your dependent(s) would qualify
- *Consideration:* Compare “apples to apples” – premiums, co-pays, in-network/out-of-network providers, prescription drug benefits, mental health coverage

# Insurance Plans

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## ■ Health Insurance Continued

Changes under the Affordable Healthcare Act currently include:

- Free preventive care when using in-network providers
- Children covered until age 26
- Unlimited care – no more lifetime maximum coverage limits
- No pre-existing condition exclusions
- Employees averaging 30 hours/week or more eligible

# Insurance Benefits

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- **Dental Plan**

- **Vision Plan**

- Normally an optional at additional premium
- Employer may contribute to the cost of these plans.

# Insurance Benefits

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- Employee/Dependent Life Insurance
- Accidental Death & Dismemberment Policy
- Short Term/Long Term Disability Policy
- Flexible Spending Accounts
  - Health Care and/or Child Care – you contribute pre-tax dollars which reimburse eligible expenses.

# Pay Attention to Enrollment Waiting Periods and Deadlines

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- There is usually a waiting period for insurance coverage to become effective. Maximum waiting period is 90 days under Affordable Care Act
- Be aware of your enrollment period; late submissions may be rejected.
- Know when your Annual Enrollment period. It's normally the same time period each year.
- Usually addition of new child or new spouse must be submitted within 30 days of the event.

# Two Benefit Household

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- Most employers pay a portion of the employee's medical, dental, vision insurance.
- It may be more cost effective for each adult to carry own coverage.
- Some employers will offer higher hourly pay if waiving medical coverage.
- Some options may not be available to you under a spouse's plan such as short/long term disability.



# Learn the Basics

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- When it comes to insurance coverage, what you don't know can have a big impact.
  - Know your network – Radiologists, Anesthesiologists, ER Physicians, and Pathologists are not necessarily in the network just because they service an in-network facility.
  - Are there restrictions?
    - Example: Emergency Room usage
  - Is pre-certification required?
    - May apply to brand name medications as well as medical procedures
  - Know the process to add new child, spouse/domestic partner to coverage.

# Retirement Benefits

- Types of Retirement Plans include 401(k), 403(b), 457, Simple IRA, SEP Plan, Employee Stock Ownership, Defined Benefit Plan (such as LASERS or TRSL in Louisiana).
- Take advantage of any employer match plans.
- Start as early as possible to save. Most couples facing 20 years of retirement will need \$2-3 million to live comfortably.
- Even minimal investment will add up significantly over a 30 year time span.
- When changing jobs, consider rolling the retirement funds from one plan to another—rather than a cash withdrawal. A rollover is exempt from taxes and penalties.

# Miscellaneous Options

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## ■ Education Benefits

- Educational assistance in the form of reimbursement or tuition waiver
- Student Loan conversions
- In-house professional development
- 529 College Savings programs
- Scholarship programs for dependents

# Miscellaneous Benefits

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- Pre-tax premiums
- Cancer Policies
- Critical Illness Plans
- Infertility benefits
- Hospital Discounts
- Long Term Care Plan –help defray in home care or Nursing home costs

# Miscellaneous Benefits

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- Meal Discounts
- Fitness Center
- Parking – free or employee paid
- On-site banking
  
- Malpractice Insurance
- Legal Assistance Policies
- Employee Assistance Programs
  
- Service Awards
- Flex schedules/Work at home options
- Adoption Reimbursement Program
- Child Care Discounts

# Pay and Taxes

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## Pay Dates

- Semi-monthly - paid on 1st and 15<sup>th</sup> of the month
- Bi-weekly – paid every other week
- Monthly – paid at end of each month

***LOOK AT YOUR PAY STUB!***

Employers make mistakes:

- Verify that taxes are being withheld.
- Check for the correct premium deductions for any/all benefits in which you are enrolled.

# Pay and Taxes

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- Bonus checks are subject to taxes, normally at a 25% withholding rate. Bonuses are subject to state and federal taxes.
- Payout of vacation time upon termination of employment is also subject to taxes—normally at a 25% withholding rate.
  - If bonus or vacation payout is included in your regular pay, it may push you into a higher tax bracket.

# State & Federal Withholding Forms

- **The number of exemptions you claim impacts the amount of taxes withheld**

Fewer exemptions = higher tax withholding

More exemptions = lower tax withholding

- A married person can claim single status for tax-withholding purposes, resulting in higher tax withholding.
- Conversely, a single person may claim married status for tax-withholding purposes, resulting in lower tax withholding.
- The exemptions you claim on the withholding forms do not have to mirror Federal Income Tax return.



# Wages

## Salary Information Resource:

U.S. Department of Labor [www.careeronestop.org](http://www.careeronestop.org)

### Wages by Occupation and Local Area

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#### Wages for Medical and Clinical Laboratory Technologists

Location	Pay Period	2016				
		10%	25%	Median	75%	90%
United States	Hourly	\$19.97	\$24.70	\$29.36	\$35.46	\$40.94
	Yearly	\$41,500	\$51,400	\$61,100	\$73,800	\$85,200
Louisiana	Hourly	\$15.19	\$19.98	\$24.59	\$29.33	\$34.32
	Yearly	\$31,600	\$41,600	\$51,100	\$61,000	\$71,400
New Orleans-Metairie-Kenner, LA MSA	Hourly	\$15.79	\$21.00	\$25.40	\$29.12	\$32.09
	Yearly	\$32,800	\$43,700	\$52,800	\$60,600	\$66,700

**National Data Source:** [Bureau of Labor Statistics, Occupational Employment Statistics Survey](#)

**State Data Source:** [Louisiana Occupational Wage Data](#)

# Intangible Benefit – Organizational Culture

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## What is it?

- Shared assumptions
  - Who we are and what are we trying to accomplish
  - Belief in the values of the organization
- Shared values
  - The way we do things
- Behavioral norms
  - Common behaviors among the group