

Employee Benefit Menu

The following is a menu of potential benefits that you may offer your employees. Some benefits are, customarily, paid by the company, others may be offered to the employee through payroll deduction on a pre-tax basis, and others may be cost-shared.

Once you determine which benefits you wish to offer, and how they will be financed, you can use the True Cost of Labor calculator to determine how the cost of those benefits will affect your total compensation cost relative to base wage, and per clock hour.

All your employee benefits, eligibility, terms, and exclusions should be documented in your Employee Handbook and given to new employees when hired.

Statutory Benefits:

All employers provide the following statutory benefits:

- Social Security (employer / employee match)
- Medicare
- Unemployment Insurance (Federal and State)
- Workers Compensation Insurance

Market Driven Benefits:

Employers often offer some of the following market-driven benefits as a direct benefit to employees, on a cost-shared basis with employees, or as optional employee-purchased benefits

Note: For production employees compensated by flat rate pay, you must determine a daily dollar value for vacation, holiday, and sick/personal time off.

Paid vacation time

- Tie amount of vacation earned to tenure

Holiday pay

- Determine number of days to be offered.

Paid sick or personal time

- Number days allowed
- Determine if unused sick time may be used as vacation or personal time at the end of the year

Health insurance

- Individual
- Husband and wife, parent and child, or family coverage

Other Benefits

- ❑ Dental plans
- ❑ Medical savings plans (See your tax advisor) – these allow employees to have pre-tax payroll deductions set aside with which to pay non-reimbursable medical expenses, co-pays, etc.
- ❑ Childcare savings plans (See your tax advisor) – these allow employees to have pre-tax payroll deductions made to cover childcare costs.
- ❑ Short-term disability insurance
- ❑ Long-Term disability insurance
- ❑ Life insurance
- ❑ 401 K
- ❑ Profit-sharing plans
- ❑ Uniforms
- ❑ Tool allowances
- ❑ Training allowances
- ❑ Product or service discounts