

employee benefits imprints

- 💡 There are mandatory employee benefits and voluntary employee benefits, both are supported by money taken out of each paycheck.
- 💡 Mandatory benefits are required by law.
- 💡 You can choose whether or not to get voluntary benefits, typically your employer will share the cost with you.
- 💡 Healthcare plans are typically offered as a voluntary benefit.
- 💡 There are multiple types of health plans offered with many different attributes.
- 💡 HMOs require you to receive care from doctors within a “network”.
- 💡 HMOs require you to pick a primary care physician (PCP).
- 💡 HMO’s generally do not have deductibles.
- 💡 HMO’s may have a co-payment.
- 💡 HMOs will typically not provide insurance coverage if you use services “out-of-network”.
- 💡 You have the freedom you have to shop around and pick your physicians and other health care providers.
- 💡 You will have to first meet your deductible before co-insurance kicks in to help you with cost
- 💡 You do not need a PCP to refer you.
- 💡 Some plans will cover you if you go out of network, but differently.
- 💡 POS plans are hybrid of an HMO and PPO.
- 💡 Like other voluntary benefits your monthly premium for a POS plan will come out of your paycheck and your employer might share in the cost.
- 💡 POS plans do not require a PCP approval for you to obtain services “out-of-network”.
- 💡 COBRA covers people who have fallen into the categories of “voluntary” or “involuntary” job loss, reduction in the hours worked, transition between jobs, death, divorce, and other life events.
- 💡 COBRA allows people to continue coverage on their most recent healthcare plan provided by their previous employer.

- 💡 Prior employers will not contribute toward the health plan premiums under COBRA and the full cost must be handled by the individual.
- 💡 COBRA is designed to provide temporary health coverage, the American Recovery and Reinvestment Act of 2009 offers added benefits tied to COBRA for certain workers who lost their jobs.
- 💡 Cafeteria plans allow you to select from a variety of benefit offered selecting only those that pertain to your specific needs.
- 💡 A Flexible Spending Account is an employer-sponsored benefit that allows you to set up an account to be used for out of pocket medical expenses that are higher than what your insurance will cover.
- 💡 At the end of the “plan year” the money in your FSA that hasn’t been used is lost.
- 💡 You fund your FSA with “pre-tax” dollars.
- 💡 Having an FSA can lower your income taxes by reducing your taxable income.
- 💡 Out-of-pocket costs can build up, so paying attention to what your co-payment, deductible and co-insurances are become a BIG deal
- 💡 A 401(k) is a private employer offered retirement savings plan.
- 💡 A 401(k) can be tax deferred until you withdraw money and free of tax penalties after age 59 ½.
- 💡 Participating in a 401(k) is a good way to begin saving for retirement early.
- 💡 Funds may be invested in stocks, bonds, mutual funds as well as other less commonly know securities.
- 💡 A Roth 401(k) is a private employer offered retirement savings plan
- 💡 Taxes are paid on deposits into the account
- 💡 Some people like Roth 401(k) plans because they perceive tax rates will be higher in the future.
- 💡 Roth 401(k) plans are designed to payout funds tax free during retirement.
- 💡 A 403(b) plan may be offered by public schools and certain tax exempt/non-profit organizations to its employees and resembles in many ways a 401(k) plan.
- 💡 Deposits into 403(b) plans are invested in annuities and mutual funds.

- 💡 A 457 plan may be offered by certain state and local governments to employees and resembles in many ways a 401(k) plan.
- 💡 Similar to Traditional 401(k), taxes are deferred until funds are taken out and penalty free if taken after age 59 ½.
- 💡 10% penalty if you take the money out before age 59 ½ unless certain unique circumstances exist.
- 💡 You can contribute up to 100% of your annual earning as long as its \$5,000 or less for individuals, \$10,000 if you are married.
- 💡 Deposits are typically invested in stocks, bonds and mutual funds.
- 💡 Unlike a traditional IRA you cannot deduct contributions from your taxable income.
- 💡 With a Roth IRA money can be withdrawn five years after the account is set up and earning are tax free if you are over age 59 ½.
- 💡 In a Roth IRA penalties for withdrawing prior to age 59 ½ may exist.
- 💡 Established by employers but typically small start-up businesses
- 💡 No tax on deposits till you withdraw and penalty free after age 59 ½.
- 💡 Employers can choose to match your contributions, just like 401(k) Plans.
- 💡 Fringe benefits typically include items like vacation time, paid lunch time, sick leave, and break time.
- 💡 Fringe benefits may include additional perks such as, employee relocation expenses paid for, severance pay, bonuses, legal assistance, child care, free parking, etc.