

Activity: What Are Employee Benefits?

Description: **The objective of this assignment is to:** help you to understand what different types of employee benefits are offered at different companies, and what they each do.

How do I get credit for this assignment?

- Read through all of the information provided
- Using the information on the variety of benefits, answer the questions provided.
- Email the completed work along with this cover sheet to: ILP Admin at ilpadmin@orangewoodfoundation.org

You may earn \$10.00 ILP dollars for completing this assignment.

Total Dollars Earned:

<p>\$</p> <p>(ILP Use Only)</p>
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Notes:

	<p>Goal:</p> <p>None</p>
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Date: _____

Youth Signature	Date of Birth
Print Name (Youth)	Group Home (If Applicable)

<p>Receipt</p> <p>(ILP Use Only)</p>
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What are Employee Benefits

Each company will offer a variety of different benefits available to their employees. It is always good to ask your employer exactly what those are and how to enroll in them if it is not automatically enrolled. Here are a list of common benefits and what they are.

Paid time off (PTO): Based on the company's policy, employees would accrue PTO hours each pay period or receive it in a lump sum at a designated time throughout the year, like January 1st or the employee's workplace anniversary. The accrual amount is often based on an employee's tenure with the company. An employee can then use the PTO hours to take vacations, stay home when sick or when a child is sick, or take care of appointments during work time or other personal reasons.

Employer Sponsored Health Insurance: Employer-sponsored health insurance is a health policy selected and purchased by your employer and offered to eligible employees and their dependents. These are also called group plans. Your employer will typically share the cost of your premium with you.

Dental Insurance: Most dental policies emphasize prevention and diagnostics, typically covering annual exams and cleanings, X-rays, and sometimes fluoride treatments.

Vision Insurance: Vision insurance is designed to help your employees cover and budget for ongoing vision care expenses like routine eye exams, prescription glasses, and contact lenses.

Flexible Spending Account (FSA): Flexible Spending Account (also known as a flexible spending arrangement) is a special account employees put money into that they use to pay for certain out-of-pocket health care costs. Employees don't pay taxes on this money, which means they save an amount equal to the taxes they would have paid on the money you set aside. As an employer, you may make contributions to your FSA, but you aren't required to. The amount you elect must be used in that plan year.

Life Insurance: A life insurance policy is a contract with an insurance company. In exchange for premium payments, the insurance company provides a lump-sum payment, known as a death benefit, to beneficiaries upon the insured's death.

Disability Insurance: Disability insurance pays a portion of an employee's income if they can't work for an extended period because of an illness or injury. There are two types of disability insurance you can offer: short-term and long-term.

401(K) or 403(b) Retirement Plans: A 401(k) or a 403(b) is a retirement plan named for the section of the tax code that governs it. (WSJ). A 401(k) plan can be an important tool for a small business to attract and retain employees. When administered correctly they should not pose much of a risk to the Plan Sponsor, but we have seen and heard too many stories of Small Business Owners getting in trouble for issues they could have avoided. It is critical to make sure you are partnering with an advisor who specializes in 401(k).

What type of employee benefits does your employer offer? If not yet employed, what benefits would you like your next employer to offer?

Are you automatically enrolled in the benefits or do you have to opt in? Who might you be able to ask at a company you work for to find out?

What benefits seem like the most important to you? Why?
