EMPLOYEE BENEFITS


Employee benefits are non-wage benefits given to employees by their employer after a certain period of time at a place of employment. Usually, when starting a new job, an employee is under review for the first 90-days. This is known as a probationary period. During this period, the employer will monitor the work ethic and learning curve of the new employee and decide at the end of the 90-day period whether or not to continue employing the new employee. If the employer decides to continue employment, the new employee is not eligible for benefits provided by the company they are employed with. The benefits provided can be health, dental, vision, paid and unpaid family leave, vacation, retirement benefits, tuition reimbursement, daycare, housing, sick leave, social security, profit sharing, funding of education and disability income protection. Not every employer offers their employees each of these benefits but they do offer them a majority of them. Most places of employment that are major companies, such as a telecommunications company or an insurance company, offer their full-time employees benefits in addition to their regular wages or salaries. A full-time employee is defined as any employee that works 40-plus hours per week on a regular basis with the same company. Any company's part-time employees usually do not receive benefits from their employers. Part-time employees usually work 20 hours or less per week. The majority of companies offer their full-time employees benefits after their 90-day probationary period, provided that they stay on as an employee following their probationary period. The majority of benefits packages that employers offer their employees are health, dental and vision plans. With these plans employees do not have to pay full prices for doctor visits, medical coverage, dental work, glasses or contact lenses. Other employee benefits that employers offer are relocation assistance, flexible spending accounts, long term care insurance, legal assistance plans, child care benefits, transportation benefits and wellness programs. The majority of employers will reduce the salary of their employees when giving them these benefits. This is known as a salary sacrifice. If employers give their employees a company car, a spending account and relocation assets, these are a few less things that the employers need to pay for out of their own pocket. This is why the employer can reduce the employee's salary. Other types of employee benefits are worker's compensation and unemployment. Unemployment is provided by federal law and federal agencies while worker's compensation is considered a right, not a privilege. Unemployment is paid to qualifying workers that have been laid off or fired from their job and cannot find work within a specified amount of time. Worker's compensation is money paid to a worker if they are injured on the job and cannot work. The compensation provided to the employee is a form of an agreement between the injured employee and his or her employer that the employee will not sue the company for the injury suffered at work. The cost of benefit plans for employers to provide their employees with has risen over the years, which has led to the creation of flexible benefit plans. Flexible benefit plans are benefit plans that allows employees to select from a variety of choices. These plans can be tax-advantaged, which means they can be taxed, and can include retirement plan contributions, vacation days, insurance, and cash. These flexible benefit plans are also referred to as cafeteria plans because they offer up a variety of different choices on a menu.