



# The Complete HR Benefits Administration Toolkit

How to Design a People-First Benefits Package



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## EXECUTIVE SUMMARY



**Your benefits package is central to your HR strategy.** The right benefits play a role in recruiting, employee engagement, and long-term retention. In fact, **88% of U.S. job candidates say benefits are among their top considerations before accepting an offer** (*SHRM*). That's why selecting a strong benefits package is one of HR's most important jobs.

In this era, that's more complicated than it sounds. Start with a list of mandatory benefits—and as your company grows, that list will only get longer. On top of that, workers have come to expect non-traditional options, like wellness programs and mental health support. **Depending on your specific team, some benefits might be more attractive than others.**

### **Use this toolkit to learn about the most common benefits:**

- Why they matter
- What admin they require
- How they can support your business goals



We're living through a time of unprecedented change. ↘

By 2030, all Baby Boomers will reach retirement age. Gen Z are entering the workforce, but there just aren't enough of them to fill the talent gap. At the same time, Gen Xers and Millennials are taking on more leadership roles, getting promotions, and planning for their futures. **When it comes to benefits, one thing is clear—everyone on your team is about to update their priorities.**

Meanwhile, the cost of employee benefits is on the rise. Family health insurance premiums alone have jumped 47% in just 10 years.

*(Kaiser Family Foundation)*

HR is getting squeezed from both sides. **How do you keep your employees happy without going over budget?**

If you can't give them more options, offer better ones. **Start by surveying your team to see what their top priorities are.** By providing the right benefits, tailored to them, you'll boost engagement and ROI at the same time.

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# Benefits Administration 101

**Every benefits package requires administration.**

In smaller companies, that work could fall to one person on the HR team, while large corporations could have a whole department and work with healthcare brokers to manage it. **Whatever your responsibilities, it's important to start with the basics.**





## HR'S RESPONSIBILITIES

Benefits administration is the process of creating, managing, and updating an organization's employee benefits program. These tasks typically fall under the responsibility of HR.

**A successful benefits program is a retention strategy. These programs are critical to attracting and retaining talent and boosting employee engagement.** To stay competitive in today's labor market, HR departments need to offer the right mix of benefits for their specific teams.

Review our article **Benefits Administration: A Guide for HR Leaders** for more information, access to webinars, and other materials.

[Learn More](#)

## The Role of a Benefits Administrator

Most benefits administrators are part of the company's HR department.

This person is typically responsible for:

- Defining a budget for the benefits program
- Deciding which benefits the company will offer
- Selecting vendors and enrolling employees
- Answering employees' questions about the open enrollment process
- Administering employee benefits
- Interfacing with vendors throughout the year, as needed
- Ensuring compliance with government regulations
- Staying informed of industry trends and updating the program as needed

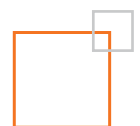
## The Role of a Healthcare Broker

Oftentimes, HR benefits administrators work with healthcare brokers to craft an attractive benefits package for employees. Healthcare brokers typically help by providing:

- Insights on insurance carrier options and cost-containment strategies.
- Plan options that fit the company's budget and employee needs. This could involve a mix of health insurance plans (PPOs, HMOs, etc.), dental, vision, etc.
- Educational resources to help employees understand their benefit options and make informed choices.
- Ongoing support to the HR team, assisting with claims processing, data analysis, and plan renewals. They can also help identify areas for improvement and cost savings.

## Crafting a Benefits Package

**Employee benefits aren't one-size-fits-all.** Offer a mix of traditional options (health insurance) and trendy perks (wellness programs) to attract and retain happy, healthy employees, all within budget. HR and brokers can work together to make it happen.



## Streamline the Process

Most people are confused about the benefits process and would just like someone to tell them what to do, please. But there are ways you can make their lives easier.



### Conduct a Benefits Needs Assessment

Assess the current benefits plan and identify what improvements or changes need to be made. Review benefits utilization, employee feedback, and benchmarking data.



### Educate Employees

Help employees love their benefits and avoid decision regret (1 in 5 do!) with clear and consistent communication. Offer multiple channels of communication, such as newsletters, company intranet, and social media to ensure everyone is informed.



### Measure and Track the Effectiveness of the Benefits Program

Ensure it's meeting its goals, such as increasing employee satisfaction, attracting top talent, and improving retention rates.



### Leverage Technology

Use benefits administration technology to streamline processes, reduce errors, and increase efficiencies. Additionally, offer digital access to benefits information and provide tools for employees to manage their benefits more effectively.

## How Paycor Helps

Take the guesswork out of employee satisfaction. Launch a **Paycor Pulse survey** to anonymously gather insights from your team. Then, leverage our network of top brokers, built through years of partnership, to design a benefits package that perfectly aligns with their needs. Paycor streamlines administration so you can focus on what matters: happy and healthy employees





## OPEN ENROLLMENT

Open enrollment is a period during the year, usually 2-4 weeks long, when companies allow their employees to make changes or additions to their elected benefits. This period can take place at any time of year depending on your company's benefits plan.

Review our article **What Every Company Should Know About Open Enrollment** for more information, access to webinars, and other materials.

[Learn More](#)

## Open Enrollment Checklist

If you want open enrollment to go smoothly, make sure you prepare ahead of time. Use this checklist to streamline the process:

### Before Open Enrollment

- Analyze costs from the past year and decide whether to switch carriers.
- Obtain renewal numbers and rates from your carriers for the upcoming plan year.
- Review local laws and regulations to ensure your company is compliant.
- Communicate with employees about important dates and any changes they can expect in the coming year.

### During Open Enrollment

- Send out company-wide reminders about the open enrollment period, highlighting important deadlines.
- Share details of the current plan with employees and remind them about upcoming changes so they can compare their options.
- Collect all relevant information from employees.
- Answer employee questions in a timely manner.

### After Open Enrollment

- Update payroll with new deductions.
- Notify your carriers of changes and new enrollments.
- Follow up with employees to make sure their questions were answered.
- Record key metrics (like how many employees enrolled in elective benefits) to track employee engagement.



## How Paycor Helps

To make smart decisions about benefits, you need hard data. **Paycor's HR software** allows employers to access status reports and see the progress of current open enrollment, compare coverage costs from different years, and gauge employee election trends.





## SAMPLE OPEN ENROLLMENT LETTER

**During open enrollment, communication is key.** You can mail, email, or post important information publicly. Some companies require employees to verify receipt of this information.

If you plan to email or mail your team information about open enrollment, you can customize this template to get started.

Download the **Open Enrollment Letter Template** to customize it for your team.

[Download Now](#)

## Sample Open Enrollment Letter

# Mandatory Benefits

If your business has employees—not just independent contractors—you're legally obligated to provide certain benefits.

Some of these might not seem like benefits at all, since they mainly impact your payroll taxes. However, from a budgeting standpoint, that distinction can be very important to your C-suite.

Local and federal regulations are constantly changing. To avoid steep fines and legal issues, it's essential for HR to stay compliant. Make sure you build a review process into your regular HR workflows so you can continue to offer the right mix of benefits. Every time your offerings change, inform your team with as much notice as possible.





## HEALTH AND DENTAL INSURANCE

Health insurance is the bread and butter of any benefits package. **Over 50% of the U.S. population gets health coverage through their employer** (*U.S. Census Bureau*). Offering the right type of health insurance for your workforce is a crucial part of any HR strategy.

Review our article **Benefits Administration: A Guide for HR Leaders** for more information, access to webinars, and other materials.

[Learn More](#)

## Is Health Insurance Required?

If your business has 50+ full-time employees (averaging at least 30 hours/week or 130 hours/month), federal law mandates that you provide group health insurance. Smaller businesses can also offer health insurance, but they're not obligated to.

## Common Types of Group Health Insurance

### HMO

A Health Maintenance Organization (HMO) is a health insurance provider with a network of contracted healthcare providers and facilities. Your employees pay a fee for access to services within the HMO's network.

### PPO

A Preferred Provider Organization (PPO) is a medical care arrangement in which medical professionals and facilities provide services to subscribed clients at reduced rates.

### POS

A Point of Service (POS) plan offers lower medical costs in exchange for more limited choices. POS has some of the qualities of HMO and PPO plans with benefit levels varying depending on whether your employees receive their care in or out of the health insurance company's network of providers.

### HDHP

A High Deductible Health Plan (HDHP) has lower monthly premiums but requires employees to pay much more before insurance will cover medical care. These plans can work well for employees without ongoing health needs. HDHPs are often coupled with Health Savings Accounts (HSAs).

Download the full **Employee Benefits Guide** for more information.

[Download Now](#)



## UNDERSTANDING FMLA CALCULATIONS

**What is the Family Medical Leave Act (FMLA)?**

The Family and Medical Leave Act (FMLA) is a federal law that allows eligible employees to take up to 12 weeks of unpaid leave in any given 12-month period for certain medical and family reasons without fear of losing their jobs. Signed into law in 1993, the FMLA is designed to help employees balance their work and family responsibilities while promoting equal employment opportunities for men and women.

Review our article [Understanding FMLA Regulations](#) for more information, access to webinars, and other materials.

[Learn More](#)

## Who is Eligible for FMLA?

An employee is eligible for FMLA leave if they:

- Have worked for a covered employer for at least 12 months, completed at least 1,250 hours of work during the past 12 months
- Have worked at a location within 75 miles of where the company employs 50 or more people
- Work in the U.S. or any territory or possession of the U.S.
- Are named in the payroll records, whether or not compensation is received for a particular workweek
- Work for foreign businesses operating in the U.S.
- Are full-time, part-time, temporary, or seasonal
- Are on paid or unpaid leave (including FMLA, vacation or sick leave, suspension, etc.) as long as you have reasonable expectation that the employee will return to active employment

## What Is an FMLA-Covered Employer?

The FMLA only applies to employers who meet certain criteria:

- Private-sector employers with 50 or more employees (for at least 20 weeks/year)
- Public agencies, including local, state, or federal government agencies regardless of the number of employees
- Public or private elementary or secondary school, regardless of the number of employees

### How Paycor Helps

When an employee is handling a family emergency, administrative details probably aren't top-of-mind. Paycor's **Time & Attendance software** can alert HR to any absences that might qualify for FMLA leave, whether or not the employee starts the conversation.



## Employer Responsibilities for FMLA

1. Determine whether the employee is eligible for FMLA.
2. Within five business days of the request, provide the employee with a **Notice of Eligibility & Rights and Responsibilities**. This form explains whether the employee is eligible and why.
3. Within five days of determination, provide the employee with a **Designation Notice** informing them that the requested leave will be designated as FMLA leave.
4. Maintain the employee's group healthcare plan coverage throughout their leave.
5. When the employee returns, restore them to their previous job or give them an equivalent job.
6. Retain records of the relevant forms for at least three years.

## What if 12 Weeks Isn't Enough?

If an employee has exhausted their FMLA leave for the year, their condition may fall under the Americans with Disabilities Act (ADA). If the employee's condition is covered by the ADA, they're entitled to continued job protection while on a leave of absence, as long as their leave does not create an undue hardship for the company.

If the employee contacts you about an extension of the leave, **determine if their condition makes them eligible for ADA leave and whether granting it would cause undue hardship to the company**. Be aware, however, that "undue hardship" is a high bar—this is rarely an issue for employees requesting leave.

**HR can choose to offer additional leave to an employee even if their condition does not require coverage under the ADA.** Employers may want to do this with top performers as a retention strategy. However, doing this with some employees can set a precedent for other people on the team, so give it careful consideration first.





## WORKERS' COMPENSATION INSURANCE

**Workers' comp is a two-way safety net for businesses and employees.** On the one hand, it protects employees from the financial burdens of illness, injuries, and treatment. For employers, it lowers the risk of legal consequences if an injured worker decides to sue.

**From a budgeting standpoint, workers' comp can stabilize your bottom line because employers pay a set, predictable insurance premium.** In case of an incident, employees and their families receive payouts from the insurance provider, instead of drawing directly from your company's budget.

Review our article [The Most Important Facts About Workers' Comp](#) for more information, access to webinars, and other materials.

[Learn More](#)

## Choosing the Right Type of Workers' Compensation Insurance

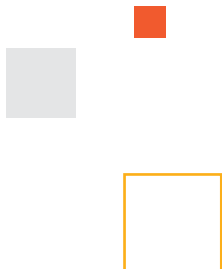
The details of workers' comp depend on your company's exact insurer. Typically, workers' comp policies cover events like:

- Physical injuries from an accident or incurred in the course of regular work.
- Occupational diseases, or illnesses that develop because of prolonged exposure to workplace hazards.
- Short-term or long-term disability due to either of the above.
- Death, in which workers' comp would issue payment to the worker's family.

## Employer Responsibilities

Legally, employers have to comply with certain workers' comp regulations. The exact laws vary between U.S. states, but in most areas, you'll need to:

- Secure workers' comp insurance through a private or state insurance provider.
- Communicate your policy details to employees so they understand their rights and responsibilities. You might need to do this through training sessions, posters, or in your employee handbook.
- Make regular contributions to your workers' comp insurance policy. To stay compliant, you'll need a reliable payroll solution.
- Facilitate claim filing by establishing a clear system. Make sure employees know how to report workplace incidents, injuries, and illnesses, well in advance of any problems.
- Cooperate with claims when issues arise. Work closely with your insurance provider to resolve workers' comp claims quickly and fairly.
- Meet other state-specific requirements, which can vary widely depending on your location.



## What does Workers' Compensation Insurance Cover?

When you're selecting a workers' comp insurance plan, it's important to understand your options.

### Private Workers' Comp Insurance

Private insurance companies can consolidate your different plans, saving HR time on administration. These plans can carry different premiums and offer different levels of coverage.

### Competitive State Funds

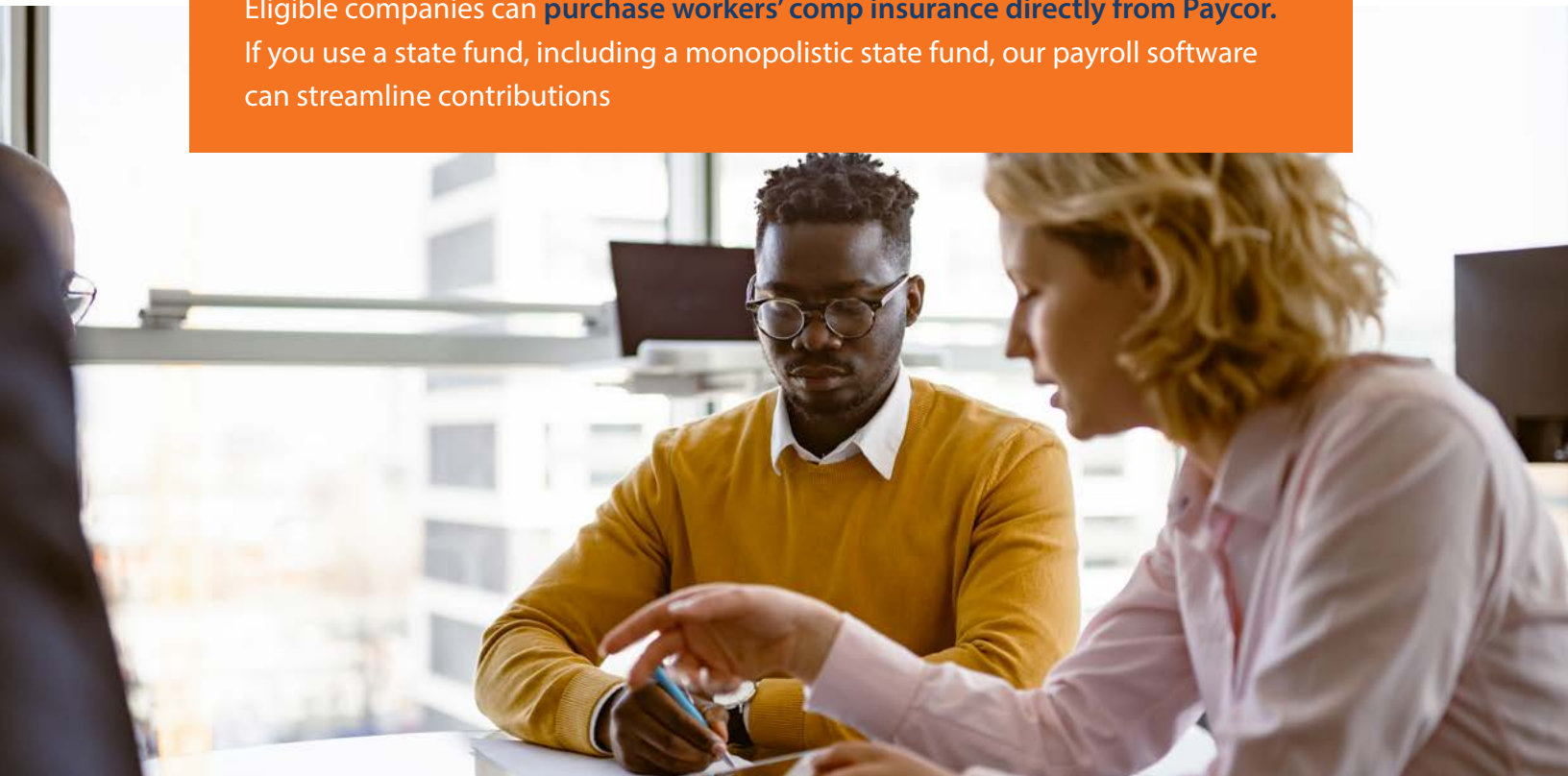
Like private companies, these funds let employers pick and choose between different plans and insurers. As you can tell from the name, though, these insurers are part of the state. This is a great option for high-risk industries that have trouble finding affordable private insurance.

### Monopolistic State Funds

Ohio, Wyoming, Washington state, and North Dakota have monopolistic state funds. Employers in these four states must purchase workers' compensation insurance from the state; they don't have the option to choose private insurance. Monopolistic state funds offer less flexibility than other options, but they may be easier for HR teams to navigate.

## How Paycor Helps

Eligible companies can **purchase workers' comp insurance directly from Paycor**. If you use a state fund, including a monopolistic state fund, our payroll software can streamline contributions





## UNEMPLOYMENT INSURANCE

Unemployment insurance (UI) gives employees some degree of wage security while they're between jobs. It's funded by state and federal taxes paid by employers.

Review our article [Understanding Employer Responsibility for Unemployment Benefits](#) for more information, access to webinars, and other materials.

[Learn More](#)

## FUTA and SUTA Taxes

**Unemployment insurance is funded by payroll taxes.** Employers can face serious compliance issues if they miscalculate their payroll tax burdens. Make sure you work with an accountant and legal advisor to stay compliant with local and federal laws.

The Federal Unemployment Tax Act (FUTA) funds unemployment insurance and job programs in all 50 states. **The FUTA tax rate is 6% on the first \$7,000 of each employee's wages.** These funds are collected and administered by the federal government.

**The State Unemployment Tax Act (SUTA) is a mandatory payroll tax imposed on employers to fund their state unemployment benefits program on behalf of their employees.** In some areas, it's also known as State Unemployment Insurance (SUI) or Reemployment Tax. **The SUTA tax rate depends on several variables: state, age of business, industry, and turnover history.**

### How Paycor Helps

Paycor's **Payroll software** seamlessly calculates payroll deductions. With the click of a button, you can ensure you're contributing the right amount for each person on your team.

## Unemployment Insurance Eligibility

Every state has its own laws regarding eligibility for unemployment insurance benefits. Generally, former employees need to meet these criteria:

- Have earned a certain amount within the past 1-2 years
- Have worked consistently for a certain amount of time
- Be actively looking for a new job

In most cases, workers will NOT qualify for UI if they:

- Were fired
- Quit voluntarily
- Were classified as independent contractors

## Benefits of Unemployment Insurance

Most UI programs allow employees to claim about half of the salary they previously received for up to 26 weeks of unemployment—the average amount paid is just over \$400/week. The exact period of eligibility is based on the number of weeks they were actively employed in the last calendar quarter.

## What Unemployment Insurance Means for Employers

When an employee stops working with you for any reason—whether they quit, get fired, or get laid off—they can file for unemployment benefits. At that point, you'll respond to the claim. You can validate it or contest their claim. If an employee is fired for misconduct, they probably don't qualify for UI.

Approved unemployment claims can increase your SUTA taxes, especially if you already have high turnover rates. On the other hand, disputing an unemployment claim can be a big administrative burden. HR should respond to every claim promptly and accurately, to avoid any compliance issues.





## SOCIAL SECURITY AND MEDICARE (FICA TAXES)

The FICA tax (Federal Insurance Contribution Act) is an employee payroll tax that funds Social Security benefits and Medicare health insurance. The tax is split between employers and employees with each party paying 7.65% (6.2% for Social Security and 1.45% for Medicare) of the employee's gross earnings to FICA for a combined contribution of 15.3%.

There's a limit on the amount of your earnings taxed by Social Security (there is no limit for Medicare). The maximum taxable amount of employee earnings for 2024 is \$167,700. This means up to \$167,000 of each employee's income will be taxed at 6.2% for Social Security and 1.45% for Medicare. Projections for 2025 have the maximum at \$174,900 and \$181,200 in 2026.

Check out our article about **FICA Taxes** and calculate yours today!

[Learn More](#)

# Non-Traditional Benefits

In the tightening labor market, HR can't afford to ignore their workers' expectations when it comes to non-traditional benefits.

What's more, data shows that every new generation wants more benefits than the last (*National Association of Plan Advisors*). Here's how different age groups rated certain benefits when asked which options were "very/extremely important."

## Flexible Scheduling

- 76% of Gen Z
- 74% of Millennials
- 67% of Gen X
- 63% of Baby Boomers

## Mental Health Support

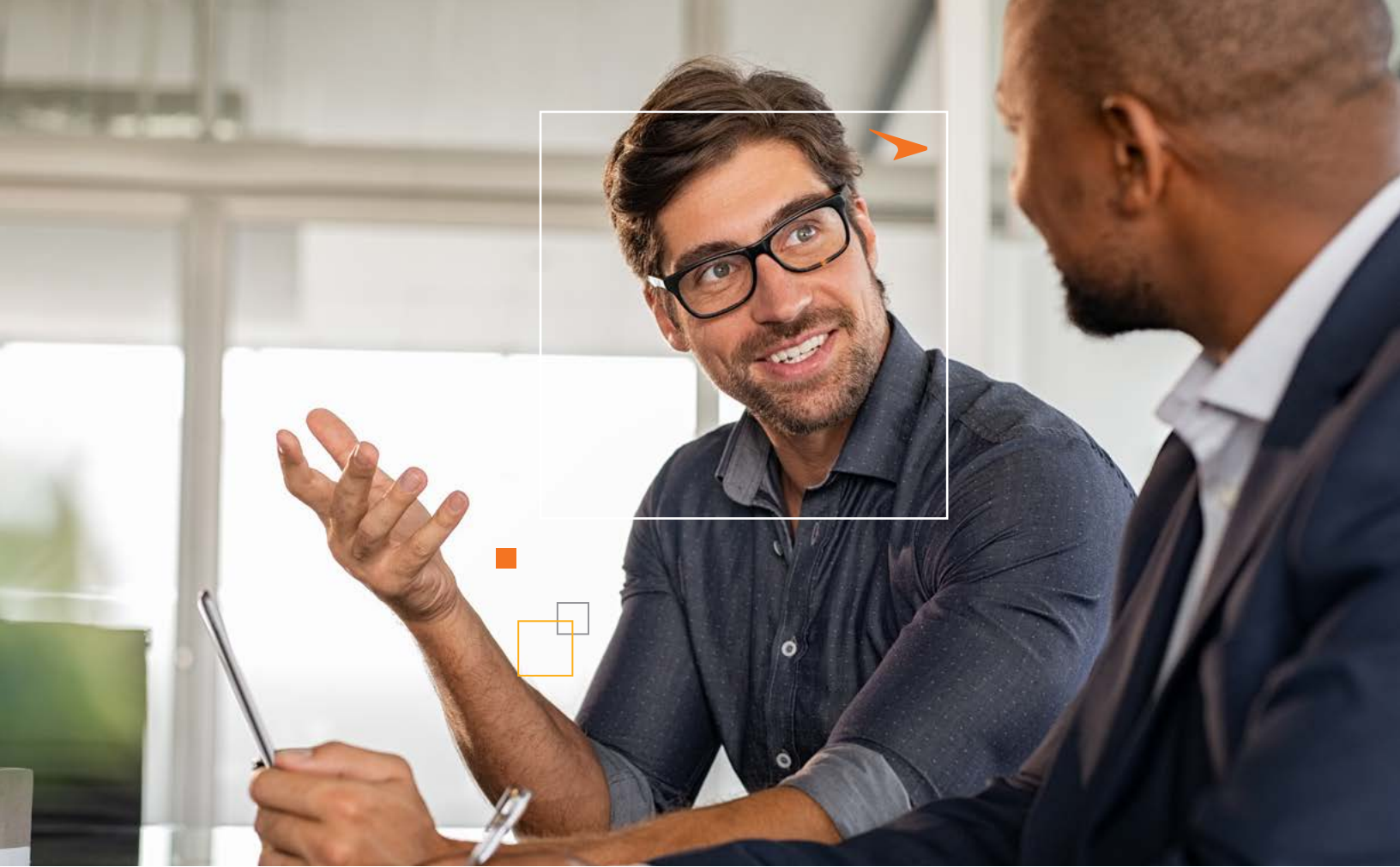
- 62% of Gen Z
- 56% of Millennials
- 46% of Gen X
- 38% of Baby Boomers

## Student Loan Repayment

- 47% of Gen Z
- 32% of Millennials
- 20% of Gen X
- 13% of Baby Boomers

Administrating non-traditional benefits can be complicated. They carry a lower risk of compliance issues, but they may require more infrastructure. **Many HR teams contract with outside companies to create and manage these programs.**





## FLEXIBLE SPENDING OPTIONS

It's no secret: health insurance plans don't cover everything. Out-of-pocket expenses are on the rise, which adds to your employees' financial stress and distraction. **Nearly 40% of Americans have delayed medical care due to cost—a record high since the year 2000** (*Gallup*).

Fortunately, there's something employers can do. **Flexible spending benefits can help your team prepare for the unexpected.**

Review our article [HSA vs FSA: Which is Best for Your Employees?](#) for more information, access to webinars, and other materials.

[Learn More](#)

## Health Savings Accounts (HSAs)

An HSA is a healthcare savings account owned by an individual. Employees deduct a portion of their paycheck, before taxes, and the money is set aside for medical expenses. Employers can also make tax-free contributions to their employees' HSAs. Any accrued interest is also tax-free, and HSAs offer tax-free withdrawals for qualified medical expenses. HSAs are portable and can move with employees from job to job. However, to contribute, the employee must have a high-deductible health plan (HDHP).

## Employer HSA Contributions

Employers can contribute to HSAs in one of two ways: with or without a Section 125 plan. An **IRS Section 125 plan** is sometimes called a "cafeteria plan." These programs have menus of benefits that employees can choose from, the same way you'd choose items at a cafeteria. HSAs are a common option under cafeteria plans. These plans can also include:

- Life insurance
- Certain health benefits
- Adoption assistance
- Dependent care assistance
- Accident benefits

Several benefits are not allowed under cafeteria plans, like employee discounts and educational assistance. **Before offering a Section 125 plan, make sure you know exactly which benefits you can include.**

You can also offer an HSA as a separate benefit, even without offering a cafeteria plan. In that case, you can decide whether to contribute to the HSA and how to schedule your contributions. For instance, employers can contribute a lump sum at the start of the year or flat contributions each pay period.



## Flexible Spending Accounts (FSAs)

An FSA is a simple way to help employees save on medical, dental, and vision expenses. Employees choose the amount they would like to contribute to cover out-of-pocket healthcare expenses at the beginning of the year. Then, their payroll administrator makes equal deductions from their paychecks throughout the year. FSAs can be used to pay for:

- Copays
- Prescriptions
- Vision
- Dental expenses not covered by insurance

You can also offer a **Dependent Care FSA**, which employees can use for their families. Dependent care plans give employees the option to contribute up to \$5,000 (\$2,500 for married individuals filing separately) pre-tax dollars annually to pay for eligible dependent care expenses.

## Employer FSA Contributions

Employers can contribute to an employee's FSA, but they're not required to. Once you set up an FSA, the entire amount is immediately available for the employee's use.



## HSA vs FSA

HSAs	FSAs
<ul style="list-style-type: none"><li>• HSAs are not use-it-or-lose-it.</li><li>• HSAs are a powerful tool for retirement.</li><li>• HSAs have investment options.</li><li>• HSA owners can make a one-time distribution of money from an IRA into an HSA.</li><li>• Organizations can donate to HSAs or match contributions.</li><li>• Savings can be used for the entire family, even if they're not on the same plan.</li><li>• There is no time limit on reimbursements.</li><li>• Employees have until the tax filing deadline to max out on HSA contributions for the previous calendar year.</li></ul>	<ul style="list-style-type: none"><li>• FSAs are a use-it-or-lose-it arrangement. Employers can offer a 2.5-month grace period or carryover.</li><li>• Employees' tax dependents and/or spouse are eligible to benefit.</li><li>• The entire FSA contribution is available immediately.</li><li>• FSAs provide an employer tax break.</li></ul>





## EMPLOYEE ASSISTANCE PROGRAMS (EAPS)

Employee Assistance Programs (EAPs) can help workers with mental health, financial planning, stress management, relationships... you name it, they've probably got a specialist to manage it. You can also find EAPs that help with childcare and eldercare, which can be especially important for WFH teams.

Review our article [How to Use Employee Assistance Programs \(EAPs\)](#) for more information, access to webinars, and other materials.

[Learn More](#)

## What Is an Employee Assistance Program?

An EAP is a benefit that offers various free, confidential programs to make employees' lives easier. This assistance typically includes a phone helpline where employees can ask for specific referrals. They might also receive short-term counseling and schedule follow-up sessions with experts, like talk therapists or financial counselors. Some EAP providers also offer support by video, email, or online chat.

Employees can choose for themselves when to use EAP services. In disciplinary or emergency situations, however, an employer can urge them to get help. HR managers should note that when EAPs offer employees direct counseling and treatment (rather than just referral services), they generally qualify as a medical benefit. In that case, their services might be subject to COBRA legislation. The specifics may vary from one EAP to another, so make sure you understand your employees' options.



## What Are the Types of Employee Assistance Programs?

While EAPs primarily support employees, you can also find programs that offer services to their immediate family members, including:



### Mental Health Support

EAPs were initially created as a workplace response to employees with alcohol or substance addictions. Today, an EAP might also be able to help with stress, anxiety, and severe mental health issues like PTSD or major depression.



### Traumatic Life Events

EAPs can also support employees during times of extreme stress. If someone on your team is injured, gets a life-changing diagnosis, or is grieving the loss of a family member, they might benefit from these services. Confidential counseling empowers them to get the help they need without sharing private information.



### Financial, Legal, or Family Advice

Employee Assistance Programs aren't just for crisis situations. They can also provide advice and practical support for:

- Financial planning
- Legal problems
- Childcare
- Eldercare
- Personal relationships
- Work relationships
- Adopting a child
- Military families
- Quitting smoking
- Stress
- Physical health and wellness
- General employee well-being

Several benefits are not allowed under cafeteria plans, like employee discounts and educational assistance. **Before offering a Section 125 plan, make sure you know exactly which benefits you can include.**

You can also offer an HSA as a separate benefit, even without offering a cafeteria plan. In that case, you can decide whether to contribute to the HSA and how to schedule your contributions. For instance, employers can contribute a lump sum at the start of the year or flat contributions each pay period.

## The Advantages of Employee Assistance Programs

EAPs give workers free, confidential help they may have difficulty finding anywhere else. The confidentiality can be particularly attractive. Who wants to advertise their personal problems at work? It's much easier and safer to call a 24/7 helpline and work through personal problems in private.

### EAPs are a win/win.

Data shows that these programs reduce absenteeism by almost 70%.

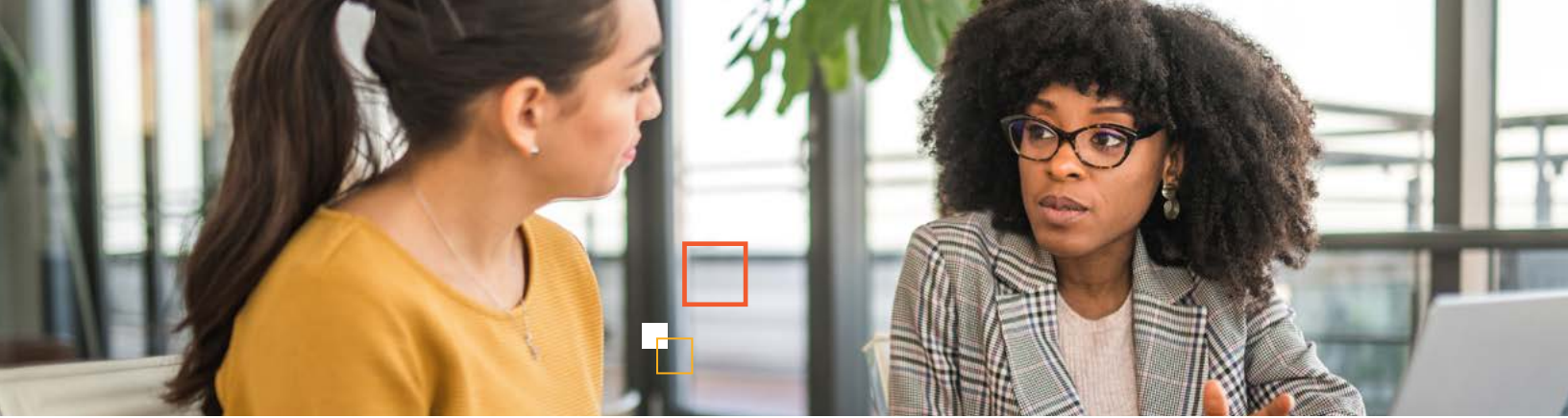
*(Human Resources Director)*

### As a result,

they can save companies \$1,000-\$3,500 per employee each year...  
money you'd otherwise lose while they're away from work.

*(Forbes)*





## STUDENT LOAN REPAYMENT PROGRAMS

### Student Loan Repayments: Tax-Free for Employers

The good news is these programs recently became more affordable. **Through 2025, employers can offer up to \$5,250 in student loan repayment benefits without paying a dime in tax.** This is thanks to the Consolidated Appropriations Act, which was signed into law in 2020 as part of pandemic relief efforts. More and more employers are offering some form of loan repayment support. **In 2021, only 17% of companies offered any of these benefits. By October 2023, 34% of employers offered student loan benefits.**

### Setting Up a Student Loan Repayment Program

If you want to keep it simple, set up a student loan repayment benefit through a financial organization that can manage the program for you. If you'd rather do it yourself, keep these tips in mind:

1. **Determine the monthly payments you want to contribute.** Most organizations start with \$50-\$100. While this might sound like a small amount, it can save employees thousands of dollars in interest.
2. **Set a cap on the maximum amount you'll contribute.**
3. **Figure out who will be eligible to receive the benefit.** Keep in mind that the nondiscrimination rules that apply to other benefits programs—such as 401(k) plans and health insurance—don't apply to student loan repayment programs.
4. **Decide if you want to require a specific work commitment from the employee in exchange for loan repayment assistance.**
5. **Remember, if the student loan repayment benefits exceed \$5,250 annually, any excess amount is considered to be wages.** That amount will be subject to federal income and payroll tax withholding.

Review our article [Employer Student Loan Repayment Program: 5 Tips for 2024](#) for more information, access to webinars, and other materials.

[Learn More](#)



## WELLNESS PROGRAMS

Corporate wellness programs are getting more and more popular. **Today, over 50% of U.S. businesses offer these benefits to employees** (*Zipdo*).

Review our article **How HR Can Promote Corporate Wellness Programs** for more information, access to webinars, and other materials.

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## Wellness Programs

A corporate wellness program is a collection of resources or activities designed to promote employee well-being and can include:

### Physical Wellness:

- Gym memberships or fitness class subscriptions
- On-site fitness workout facilities or classes
- Ergonomic assessments
- Equipment stipends so employees can purchase health trackers (like Fitbits), standing desks, noise-canceling headphones, and similar
- Healthy snacks and beverages for on-site workers
- In-office wellness events, like having a massage therapist come in for the day
- Company-wide wellness challenges, like drinking water or getting 10k steps a day

### Mental and Emotional Wellness:

- A PTO allowance for mental health days
- Meditation or mindfulness app subscriptions
- Stress management workshops
- EAPs that connect employees with resources like counseling or childcare

### Social Wellness:

- Flexible scheduling so employees can attend therapy or doctor's appointments or keep family commitments
- Community volunteer days

## Building a Culture of Wellness

Wellness activities and subscriptions are a great place to start, but with a little strategic planning, HR can take employee well-being to the next level. To start off, why not train your managers to be wellness champions? You can use a learning management system to give them the skills they need to support their teams.

Middle managers can also promote cultural norms within the workplace, like using up PTO or taking breaks between meetings. Encourage them to lead by example, letting employees know they sometimes take breaks. It might sound surprising, but a healthy work/life balance can improve business results.

“When workers are suffering from burnout, their productivity drops, and they may become less innovative and more likely to make errors. If this spreads throughout an organization, it can have a serious negative impact on productivity, service quality, and the bottom line.”

- Dennis P. Stolle, JD, PhD

(American Psychological Association)

## The Tangible Benefits of a Corporate Wellness Program

These initiatives have wide-ranging benefits, including significant ROI. For one thing, **wellness programs boost employee engagement and job satisfaction by up to 89%** (*LinkedIn*). That can reduce turnover and drive innovation.

Wellness programs reduce employee absenteeism by **14-19%**, and most employers also see a reduction in healthcare costs.

(Zippia)

## Building a Compliant and Inclusive Wellness Program

**To design a wellness program, you'll need to collect information from your team.** However, asking questions about their health can sometimes be a compliance issue. Fortunately, there are several ways to solve this problem:

- Anonymous surveys or polls
- Measuring participation in wellness benefits
- Open-ended questions about what would improve their work/life balance
- Analyzing KPIs like absenteeism rates and aggregate healthcare claims data

**Your program should also be fair and accessible to all employees. Consider factors like disabilities, religious beliefs, and work schedules.** For instance, you could provide healthy snacks that cater to various dietary requirements. Inclusive policies can boost program participation and foster a sense of belonging.



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