

5 THINGS TO KNOW ABOUT



EMPLOYEE BENEFITS

Offering a comprehensive benefits package can help attract — and retain — good workers.

Synchrony, which has been listed in the Fortune 100 Best Companies to Work For several years in a row,² approaches benefits with the goal of supporting healthy, happy employees. However, navigating which benefits to provide and how to provide them can be a challenge for small business owners.

Here are five things to think about.

69%

of employees say having a wider array of benefits would increase loyalty to their employer.¹

1. FIND OUT IF ANY BENEFITS ARE REQUIRED



There are certain benefits the federal government requires you to provide employees, even as a small business. Similarly, the state you operate in may have its own benefits requirements. Take time to research what benefits you must supply to ensure your business is compliant.

These may include, but are not limited to:

- Federal unemployment insurance
- Social Security and Medicare contributions
- Overtime pay
- Family and medical leave (FMLA), which is available to employees who've worked at least 1,250 hours in the last 12 months
- Jury Duty leave (paid in some states)
- Workers' compensation
- Health insurance under the Affordable Care Act (This only applies to businesses with 50+ employees.)
- COBRA insurance (This only applies to businesses with 20+ employees who offer group health insurance.)



2. CONSIDER POPULAR — THOUGH NOT REQUIRED — BENEFITS

Some of the most sought-after benefits are not required by state or federal law. However, because many employers offer them, most prospective, full-time employees have come to expect them. Health insurance is an example; over 49% of the total U.S. population was covered by employer-sponsored health insurance in 2019.³ Group health insurance is a traditional offering, but there are several ways to help your employees — and their families — pay for healthcare:⁴

- Flexible spending accounts (FSAs) allow your employees to deduct a predetermined amount from their paychecks before tax to use when paying for medical care and expenses.
- Health savings accounts (HSAs) work together with high-deductible health insurance plans and allow your employees to pay lower monthly premiums while also deducting a predetermined amount from their paychecks before tax to help offset the costs of the high deductible.
- Premium-only plans (POPs) let your employees use pre-tax funds deducted from their paychecks to pay the cost of their monthly insurance premium.



Group health insurance isn't the only basic benefit full-time employees look for. Others to think about providing include:

- Vision and dental insurance
- Short-term disability, long-term disability, and life insurance
- Retirement plans like a 401(K), Simple IRA, Simplified Employee Pension, and more
- Paid parental, vacation, sick, bereavement, or holiday leave — or a combination of these



At the start of the COVID-19 pandemic, Synchrony got creative. It started offering access to mental health coaches so employees could talk to qualified professionals as often and as long as needed. While your budget may be smaller than a company like Synchrony's, you can still think creatively and offer benefits outside of insurance. Some other additional benefits that companies offer:

3. THINK OUTSIDE THE BOX

In a competitive landscape, offering attractive, comprehensive benefits is an investment in your employees and your business. Insurance is important, but these days, it's often not enough. If you're able, think about going above and beyond the standard benefits package to give your employees meaningful perks.

- Employee discounts
- Tuition assistance or reimbursement
- Wellness programs like gym memberships, yoga classes, and meditation apps
- Daycare, or backup care for when daycare is closed, or children are sick
- Jury Duty leave (paid in some states)
- Pet insurance
- Volunteer days or choose-your-own-holiday



4. BUDGET FOR BENEFITS

When planning your employee benefits package, assess your budget and how much your small business can afford to contribute, as well as what other companies are offering so that you can try to remain competitive. Take time to perform a cost analysis per benefit; **the Bureau of Labor Statistics is an excellent resource to help understand the cost of various benefits.** Keep in mind that many benefits, like the FSAs, HSAs, and POPs outlined above, are deducted from employees' paychecks before taxes, reducing both the employees' taxable incomes and the company's payroll taxes.⁵

If your budget is tight, you can still add perks to your package. Think about including benefits that employees will appreciate, but that cost relatively little compared to leave, insurance, and care benefits:



**Flexible
schedule**



**Remote
workdays
(if applicable)**



**Pet-friendly
office**



**Lending
library**



**Parking
benefits**

5. DON'T GO IT ALONE

The importance of offering great benefits is worth repeating. The HR experts at Synchrony regularly receive feedback from employees that their benefits are life-changing. This kind of feedback could explain why Synchrony deals with minimal turnover — even during the so-called Great Resignation. To ensure you build the best, most comprehensive benefits package possible for your small business, take advantage of tools and resources instead of trying to figure it out all on your own.

Health insurance brokers can help you compare plans, features and benefits, and prices of myriad insurance options.

Additionally, brokers can make sure you've chosen a plan compliant with state and federal regulations and provide you and your employees with education on your coverage. Health insurance brokers make commissions on plans selected, so their help comes at no additional cost to your business.

Since health insurance brokers are typically limited to healthcare plans, you may also want to look into a professional employer organization (PEO). PEOs can leverage buying power to offer benefits packages at lower rates and may also help cover workers' compensation and provide other HR support.⁶

For more information or to connect with an expert, contact us at synchronyconnect@synchrony.com.

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¹MetLife Employee Benefit Trends Study. MetLife. (2020).

²100 Best to Work For 2021, Fortune.com, 2022

³Health Insurance Coverage of the Total Population 2019, Kaiser Family Foundation, 2022

⁴Davalon. (2020, January 7). HSA vs FSA: Which is Best For Your Employees? eHealth

⁵Hartman, Jennifer. (2021, June 24). How to Set Up an Employee Benefits Program in 6 Steps.

⁶Benefits of a PEO for Small Businesses, ADP.com, 2022