

Student name: \_\_\_\_\_ Date: \_\_\_\_\_

## **MODULE 26**

### **List and describe fringe benefits provided by the employer.**

#### **Objectives:**

- A. Determine fringe benefits available from some employers.**
- B. List and describe fringe benefits provided by your employer.**

<b>MODULE 26: INFORMATION SHEET</b>
-------------------------------------

***TO THE STUDENT:** Read and study the following information sheet and then complete the student activities at the end of this module.*

#### **What are fringe benefits?**

In addition to wages, certain fringe benefits are available from some employers. Not all employers provide the same "fringes." Some employers provide no fringe benefits at all, while others may pay some of the cost and the employees pay a portion of the cost (co-pays for the benefit). Other employers may provide a good fringe benefit package and lower wages or pay higher wages and fewer fringe benefits.

Although not usually considered fringe benefits by most employees, employers must provide, and either pay for entirely or contribute toward, certain benefits mandated by Federal or State law. Examples are the Social Security Program, Unemployment Compensation Benefits, and Workers Compensation Insurance.

#### **Social Security Program**

The cost of the Social Security Program, including the hospital insurance portion of Medicare is shared by the employer and employee equally. Social security provides payment to retirees, their dependents and survivors and to the totally disabled.

**Unemployment Compensation Insurance**

Unemployment Compensation Insurance is usually paid for by the employer. When economic conditions warrant, the employee will also contribute to the fund. Through unemployment compensation, an employee can collect payments for a limited time if laid-off or unable to work through no fault of their own. Those students employed through their Cooperative Education Program do not qualify for Unemployment Compensation benefits upon termination of employment. Neither does the time worked qualify to be used toward accumulating the necessary credit weeks needed for future coverage.

**Workers Compensation Insurance**

Workers Compensation Insurance is paid for by the employer. Workers Compensation provides for lost wages and medical care that result from a work-related condition or injury. The cost of these mandated benefits as well as the cost of all "fringes" should be added to the wage of the employee to determine the true wage.

**Other possible fringe benefits**

Other fringe benefits that are either negotiated for by each employee or group of employees, or provided for voluntarily by employers without negotiations as part of the employment package. [*Note: (f) and (g) are regulated by Federal Law.*]

- a. Holiday Pay - usually major holidays such as Thanksgiving, Christmas, New Year's Day, etc.
- b. Paid Vacation - sometimes one week's vacation after one year of service. Vacation time is earned with years of service completed.
- c. Life Insurance - Usually group term life insurance for a set amount -- usually \$10,000 to \$50,000 or more, sometimes based on the employee's salary.
- d. Medical Insurance - Can include hospitalization, physician's services, prescription drugs, vision care, dental care; all or some of these services can include various deductibles and Co-pay provisions.
- e. Bereavement days - Paid days off when a member of your family dies.

- f. Child Rearing Leave - Usually an unpaid leave of absence to care for newborn or adopted children.
- g. Family Leave - Usually an unpaid leave of absence concerning the illness of a family member.
- h. Retirement Plan - (Differs from Social Security Benefit) Can be totally funded by the employer and also contributed to by the employee. Regulated by Federal Law and provides for additional payment to the employee upon retirement.
- i. Tax Shelter Plan - Some types of employment may be eligible to allow an employee to defer Federal taxes on a portion of earnings until the employee's later years or retirement.
- j. Profit Sharing Plan - A share of the employer's profits, given to the employee. Can be money or share of company stock.
- k. Educational Reimbursement - If going to school benefits the employer, tuition reimbursement can be available to the employee. Employers usually pay part of or all of the cost based on grades achieved.
- l. Sick Days - a specified number of days off with pay for illness.
- m. Income Protection - A specified amount paid to an employee, usually weekly, when an employee is out of work for an extended period of time.
- n. Sabbatical Leave - Usually found in the teaching profession. Allows an employee to take a leave of absence at a reduced salary and under certain conditions. (For study, travel, or illness, for example.)
- o. Liability Insurance Coverage - Protects an employee from lawsuits stemming from employment.
- p. Mileage and Expense Reimbursement - Some employees may incur travel expenses related to employment. Mileage traveled by personal auto can be reimbursed as cents per mile, all other expenses: lodging, fares, tolls, parking, etc., may be reimbursed partially or totally.
- q. Severance Pay - When an employee leaves employment, the employer provides a sum of money to the employee. Sometimes based on years of service or age of the employee.

- r. Discounts on Goods and/or Services - Discounts on retail or wholesale prices and services available from or provided by the employer. This may range from automobile repairs to college and university tuition credit for dependents to welding services for some employees from their employers.

Employers usually consider a Cooperative Education student's employment to be part-time. Thus, not many students receive fringe benefits. An hourly minimum wage is set by law, as are certain benefits described earlier. Before beginning any employment, the student should be sure of all conditions of employment, including any fringe benefits that may be available.

<b>MODULE 26: STUDENT ACTIVITIES</b>
--------------------------------------

TO THE STUDENT: After reading and studying the information sheet, complete the following questions.

**Answer the following questions:**

1. What "benefits" are mandated by Federal or State Law?
2. If you are now employed, list the benefits you are receiving from your employer.
3. From the benefit list provided in the information sheet, consider the benefits you feel are most important to you. Write a persuasive essay comparing and contrasting the benefits provided to an older worker and those you would consider most important.



**MODULE 26: STANDARDS ASSESSED IN THIS MODULE****Pennsylvania's Academic Standards for Reading, Writing, Speaking and Listening (RWSL)****1.1.11. Learning to Read Independently**

- E. Establish a reading vocabulary by identifying and correctly using new words acquired through the study of their relationships to other words. Use a dictionary or related reference.

**1.4.11. Types of Writing**

- C. Write persuasive pieces.
- Include a clearly stated position or opinion.
  - Include convincing, elaborated and properly cited evidence.
  - Develop reader interest.
  - Anticipate and counter reader concerns and arguments.
  - Include a variety of methods to advance the argument or position.

**1.5.11. Quality of Writing**

- A. Write with a sharp, distinct focus.
- Identify topic, task and audience.
  - Establish and maintain a single point of view.
- F. Edit writing using the conventions of language.
- Spell all words correctly.
  - Use capital letters correctly.
  - Punctuate correctly (periods, exclamation points, question marks, commas, quotation marks, apostrophes, colons, semicolons, parentheses, hyphens, brackets, ellipses).
  - Use nouns, pronouns, verbs, adjectives, adverbs, conjunctions, prepositions and interjections properly.
  - Use complete sentences (simple, compound, complex, declarative, interrogative, exclamatory and imperative).