

The Basic Benefits That A Company Must Provide Their Employees

Employers offer various benefits to their employees like health insurance, paid vacation time, insurance coverage for long-term disabilities, tuition reimbursement, and pension plans.

But not all employee benefits are mandatory as per law. This holds special significance for small companies without much leeway in their budgets. There are two essential categories in which employee benefits fall under- those necessitated by laws and the ones employers offer voluntarily. The former types of mandatory benefits include:

Picture 1 of The Basic Benefits That A Company Must Provide Their Employees

FICA

The FICA federal payroll tax is used to fund the federal government's Medicare and social security benefits. It is mandatory for both employers as well as employees to pay for this fund. You should consult reliable online resources for more info. The exact amount of the tax for employers stands at 6.2% of gross income till the base levels of social security wages, which as of 2018 stood at \$127,400. It is also necessary for employers to deduct 1.45% of gross income as a Medicare tax—employees whose gross income exceeds \$200,000 need to pay an extra 0.9% of their gross. Employers need to match equal sums to social security and Medicare funds, but they don't need to pay the additional 0.9%.

Unemployment Insurance

This type of insurance benefit helps workers who lose their jobs for any reason.

Compensation Insurance for Workers

This insurance type helps people who lose their livelihood sources due to workplace illness or injury.

Health Insurance

Companies with more than fifty full-time or equivalent employees need to pay for health insurance. As per the Affordable Care Act provisions, large employers may face and be potentially assessed if they fail to provide affordable and adequate health insurance to their employees who work for them full-time and their dependants.

Family and Sick Leave

Employees in the public sector and those hired by large employers (50 or more employees) can avail of 12 weeks of unpaid leave during and year without losing their jobs. You can avail of this leave for specific domestic and medical situations as well as stipulated emergencies. Further, as per the provisions of the Military Caregiver Leave, one can take 26 weeks of leave under similar conditions in 12 months.

Some US states and other local authorities also make it mandatory for employers to provide paid sick leave or family leave. Businesses need to refer to local regulations and check to see the rules and employee benefits they must provide.

Other common types of employee benefits are as follows:

Life Insurance

The exact life insurance provided to the dependants, family members, or other stated beneficiaries differ from employer to employer. But generally, this sum is equal to the annual salary of the particular employee or worker. Further, many employers provide workers the facility to buy additional life insurance through the firm that the employer uses.

Retirement Benefits

Some employers offer 401(k) retirement plans to their employees. Workers pay a salary portion to the fund, which is usually matched to a certain extent by the employer. However, the matching is not necessary for a 401(k) plan. There might also be pension funds and other retirement plans for the employees distinct from the 401(k) or along with the program. All pension plans offered by employers fall within the purview of the federal 1974 ERISA or Employee Retirement Income Security Act. It states the standards that private employers must follow while offering pension plans to employees.

Paid Vacation Time

Paid vacations are one of the more basic types of benefits that employees should get. The exact vacation time usually is determined by the employment period of the employee. For a given working period, an employee receives a set number of vacation hours.

Accident Insurance

This type of insurance lets employees pay for out of pocket and medical costs. These expenses are a result of accidental injuries and include a wide variety of costs that accompany accidents. These expenses include:

1. Hospital costs
2. Emergency treatment
3. Medical exams
4. Lodging expenses

5. And transportation

Employee Assistance Program (EAP)

Such an employee benefit serves to help identify and resolve personal issues faced by employees of a company. The intervention program is based on work and can include any of the following:

1. Marital problems
2. Financial issues
3. Emotional problems
4. Family problems
5. Alcohol and substance abuse
- 6.

These problems may harm the personal life of the employee and his performance at work as well.

Primary employee benefits are an essential human need. Today most Americans indeed take the varied types of welfare measures adopted by the government for granted. Note that they have only been around for about two generations. Before that, wage earners were entitled to solely their wages. So, employee benefits acquire an especial relevance in that context.

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