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## What benefits should I offer to my employees?





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## Question:

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## Answer:

The benefits you offer to your employees should be as attractive as you can afford. They can help you recruit new employees and retain those who are crucial to your company's success. As a business owner today, you have a comprehensive array of basic, elective, and fringe benefits to consider:

- Basics, such as vacation, paid holidays, sick leave, and a health insurance plan, are often needed to be competitive in today's benefits market. In large companies, most employees also expect a qualified retirement plan to be available.
- Consider including long-term and short-term disability coverage, group life insurance, dental and vision care, stock options, and contributing to or matching your employees' contributions to the company's retirement plan.
- Other benefits you can offer include fringe benefits, such as the use of a company car, flextime, telecommuting, parking passes, public transportation passes, club memberships, or tickets to sporting events.

You might view these from the aspect of which ones actually cost the company money. For example, unless you need a certain number of staff on shift, flextime may not actually cost you money. You can also set up pretax accounts for employees to save for dependent expenses. The only cost to your business is the administrative fee.

The cost of providing these benefits to your employees is often tax deductible to your business. You also may be able to exclude the value of the benefits from your employee's gross income. This reduces your taxable payroll, resulting in a decrease in your Social Security, Medicare, and state and federal unemployment tax obligations.

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