

# Managing the Dental Team

## ADA's Guidelines for Practice Success™ (GPS™)

### A Benefits Primer

The lists below provide general guidance on staff benefits frequently offered by dental practices. Some of them are required by laws, others are mandatory and still others are completely optional. Since each state has its own rulings and regulations regarding benefits, dentists are highly encouraged to work with an attorney who specializes in employment law or with a qualified human resources professional to ensure that the practice's benefits offerings and policies comply with all of the appropriate regulations. Which benefits or policies are required can be determined by policy (i.e. dental coverage or uniform reimbursement), situations (i.e. unemployment), or state driven (i.e. maternity leave, jury duty, election day time off, etc.).

#### Benefits Required by Law

- **COBRA**  
The Consolidated Omnibus Budget Reconciliation Act protects employees (and their families) who cease their employment by offering them the option of continuing their employer-sponsored health plan for a limited period of time. It is required by federal and/or state laws when an employer is either required to, or chooses to, offer a company-sponsored health insurance plan. The number of employees in the practice will determine whether or not CPBRA applies. Keep in mind that federal and state laws may differ; it's generally advised that practices follow the more stringent of the regulations. COBRA may be required based on the number of employees in the practice; if COBRA is not required, it's possible that some type of "Continuing Care Coverage" might be. That coverage typically has a lower threshold regarding the number of employees than COBRA.
- **Election day**  
While some employers grant workers time off so they can work on elections or in a similar capacity, whether or not this is required varies by state. Compensation paid to election workers can be included as wage income for income tax purposes and may be treated as wages for Social Security and Medicare (FICA) tax purposes. Employers may encourage employees to vote by mail or outside of the practice's typical business hours.
- **Employment Retirement Income Security Act (ERISA)**  
While this law is often assumed to regulate employers who offer certain types of retirement plans, it also covers other company-sponsored health, savings, and benefit plans, including COBRA and even certain scholarship plans. ERISA rules are enforced by the U.S. Department of Labor (DOL) so it's helpful to remember that any program that falls under the DOJ's jurisdiction may be subject to ERISA rules.
- **Jury duty**  
Public policy requires that all employers follow the appropriate state laws regarding jury duty. Employers cannot fire employees who are summoned for jury duty; however, they can opt to not pay workers' salaries during the time that they are fulfilling this civic duty. It's important to know your state's laws about providing employees who are serving on a jury time off from work and paying their salaries. Make sure your policy is compliant with the appropriate state laws and properly conveys the practice's position on time off and salary.
- **Overtime**  
This policy provides additional financial compensation for any hours worked by non-exempt staff and some exempt staff over the amount of 40 hours per week. Eligible staff generally receive overtime pay at the rate of 1½ times their usual pay rate. Any extra wages are paid at the same time as the employee's regular pay.

- **Unemployment compensation**  
These funds are paid by a state to unemployed workers who lost their jobs due to layoffs or cutbacks. Unemployment compensation is intended to provide short-term financial assistance for jobless workers until they find employment. Certain criteria, such as having worked a minimum stipulated period and actively looking for employment, typically have to be satisfied in order for an unemployed worker to receive benefits. This benefit is available to both exempt and non-exempt staff and full and part-time employees. The amount an employee is eligible to receive varies and is determined by each state's requirements.
- **Uniform reimbursement**  
Many state laws require employers to reimburse employees for any reasonably incurred business expenses. Inclusion of the costs to purchase and maintain employees' uniforms may be required by some states.
- **The Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) (also known as a military leave of absence)**  
This federal law establishes rights and responsibilities for uniformed Service members and their civilian employers by establishing the cumulative length of time that an individual may be absent from work for military duty and retain reemployment rights for up to five years. Individuals covered by this legislation cannot be fired during the first year of employment following their return from deployment without documented cause.
- **Workers' compensation**  
This insurance coverage provides wage replacement and medical benefits to employees who experience an injury in the course of performing their duties. Accepting this compensation may require the individual to agree to not hold the employer responsible for the injury. Some states or municipalities require employers to provide this coverage.

#### Mandatory Benefits

- **Compensation and other deductions**  
Compensation can take many forms; some are exempt from payroll taxes and some are not. As an employer, you'll need to consider your policies and payroll withholding obligations for such deductions as advances and loans, gifts, awards, and prizes, employee fringe benefits, business expense reimbursements, and vacation time.
- **Family and Medical Leave Act (FMLA)**  
This federal law requires covered employers to provide employees job-protected and unpaid leave for qualified medical and family reasons. It is mandatory for employers with 50 or more employees and requires them to provide a prescribed amount of leave.
- **Maternity leave (sometimes call parental or family leave)**  
In some cases, maternity leave is not a benefit but rather is required by law. This policy allows a parent to take time off from work after the birth or adoption of a child. Employers with 15 or more employees must treat women affected by pregnancy, childbirth, or related medical conditions the same as other abilities. The employer has the option of offering employees all, a portion, or none of their regular salary during that time, which can be as long as 12 weeks. Be aware that additional state and local laws may apply. Consult the *Considerations for a Maternity Leave of Absence Policy* available as a resource in this module for more information regarding maternity leaves.
- **Medical coverage (optional if the practice has fewer than 50 employees)**  
Health insurance covers all or a portion of the costs of an insured individual's medical and surgical expenses. Depending on the type of health insurance coverage, either the insured pays costs out-of-pocket and is then reimbursed, or the insurer makes payments directly to providers.

### Optional Benefits

- **401k plan or other retirement savings plan**  
This employer-sponsored plan allows staff to save a percentage of their pre-tax income for retirement. Plans can vary by practice and often include a length of service requirement. Once the plan is put into effect, the rules regarding offering it are not optional. Many plans require a minimum 90-day waiting period so employers don't have to remove employees who terminate their employment. Practices can opt to have a lengthier waiting period, often due to the nature of the position. For example, a practice may hire employees who require additional training, testing and/or certification which could take as long as six months. A six-month waiting period is appropriate in those cases.
- **Bereavement**  
Some dental practices grant employees a limited amount of time to make funeral arrangements or attend the funeral and/or burial of a loved one.
- **Dental coverage**  
While this is an optional benefit, it is often regarded as mandatory since the employer and employees are working in dental practices.
- **Disability coverage**  
These insurance plans provide periodic payments of benefits when a disabled insured is unable to work. Most policies replace 45-65% of the individual's gross income on a tax-free basis in the event that illness prevents the individual from earning an income in his/her occupation. Some states or municipalities require employers to provide this coverage.
- **Employee Assistance Program (EAP)**  
These work-based intervention programs are designed to help employees resolve personal problems (e.g., marital, financial or emotional problems; family issues; substance/alcohol abuse) that may be adversely affecting the employee's performance.
- **Flex-time**  
This time management practice allows employees to work a set number of hours with the starting and finishing times chosen within agreed limits by the employee. It is currently offered more frequently in growing organizations and multi-dentist practices since it can be beneficial to have staff coverage on both an early shift and a later shift. It is often easiest to offer this option to non-clinical personnel.
- **Holiday pay**  
In most cases, an employee's right to either a paid day off or holiday premium pay for a holiday worked depends on whether the employee is regularly scheduled.
- **Leaves of absence**  
A leave of absence is a specific period of time during which an employee is absent from his/her primary job; employment status must be maintained during that time. This is in contrast to normal periods away from the workplace, such as vacations, holidays, hiatuses, sabbaticals, and "working from home" programs, in that a leave of absence is generally an exceptional circumstance rather than a standard benefit. Leaves of absence may or may not be optional depending on the circumstances. They are often unpaid. If an employer has more than 50 employees, under a specific set of circumstances they must grant unpaid leave. It is prudent for employers with fewer than 50 employees to create a legally compliant policy to ensure that they have a policy in place should an employee become injured, pregnant or otherwise in need of extended time off from work.
- **Life insurance**  
Some employee benefits packages include this option which allows an employer to buy a single life insurance policy that covers all workers who participate in the plan.

- **Personal time**  
This policy details how an employer pools sick days, vacation days, and personal days for employees to use throughout the year as the need or desire arises.
- **Professional dues**  
Under certain circumstances, the Internal Revenue Service may allow an individual to deduct from their annual taxes the costs of any membership dues paid to a professional or trade organization if such membership is required by one's profession.
- **Retirement plan**  
This type of financial arrangement is typically designed to replace employment income upon retirement. They may be maintained by employers, insurance companies, trade unions, the government, or other institutions.
- **Sick and emergency leave**  
This policy grants eligible employees unpaid time off each calendar year due to illness, injury and certain other emergencies and urgent matters. The number of days allowed varies by employer and sometimes is tied to the employee's length of service and must be in compliance with state or local laws. Be aware that some municipalities have enacted mandatory employer-funded sick time accrual laws. Some states or municipalities now require employers to provide this coverage and your policy must comply with those regulations. It's a good idea to seek guidance regarding city and state laws regularly since they can, and do, change. If you are an employer with 50 or more employees, it's a good idea to seek guidance concerning the Family Medical Leave Act (FMLA) so you can be sure you're fulfilling your obligations under that act. Also keep in mind that some states have their own versions of the FMLA and that employers must often adapt a hybrid of the two laws.
- **Tuition assistance**  
This program provides employees with some level of reimbursement from their employers for undergraduate and/or graduate courses taken and completed or for additional training required for some type of accreditation or certification. Some employers require employees to receive a certain minimum grade in order to be reimbursed. There are also typically annual limits and may be other restrictions, such as the course work must be related to the employee's current job functions. Federal tax regulations allow for the exclusion of up to \$5,250 of educational assistance benefits each year.

**Resource:** [\*Considerations for a Maternity Leave of Absence Policy\*](#)

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