*Financial Algebra* Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Chap 5 Day 4 Per. \_\_\_\_\_\_\_

Employee Benefits

*Key Terms:*

|  |  |
| --- | --- |
| Employee Benefits: | \_\_\_\_\_\_\_\_ - \_\_\_\_\_\_\_\_ options that an employer may choose to offer employees  Examples: |
| Insurance: | A \_\_\_\_\_\_\_\_\_ - \_\_\_\_\_\_\_\_ benefit that employers may offer to employees such as policies that cover \_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_ and disability. |
| Paid vacation time: |  |
| Paid holiday time: |  |
| Retirement Plans: | A means that employers may offer as a way to save for retirement; these types of plans may include \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_. |
| Stock ownership plans: | A plan that allows employees to buy or receive company \_\_\_\_\_\_\_\_\_\_\_; offered as an employee benefit. |
| Childcare leave: | An employee benefit that allows employees paid time off to care for \_\_\_\_\_\_\_\_ children or \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. |
| Family health care: | A type of health insurance that covers \_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_ of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ family for health care bills to the extent outlined in the health care coverage plan. |
| Individual health care: |  |
| Pension: | A type of retirement plan where an employee receives \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ from an employer after retirement (i.e. teachers) |
| Unemployment insurance: | A \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ program that offers benefits to \_\_\_\_\_\_\_\_\_\_\_\_\_\_ employees who, through no fault of their own, have become unemployed. |
| Base Period: | A \_\_\_\_\_\_\_\_\_\_ period of time that most states use in an \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ insurance \_\_\_\_\_\_\_\_\_\_\_\_ to determine \_\_\_\_\_\_\_\_\_\_\_\_\_\_ benefits. |
| Worker’s compensation: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to employees who are injured while working at their job. A program that is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ by state laws. |

**Example 1:** Alan works for a printing company. It has been a little over four years since he was hired. He now makes $54, 080. He was told that he had five days of paid vacation time. For each year that he worked at the company, he would gain another two days of paid vacation time to a maximum of 20 days. How many paid vacation days does he now get at the end of four years of employment and how much will he make on the time he is on vacation?

**Example 2:** Frieda’s employer offers her family health care. Frieda must contribute 12% of the cost, and her employer will cover the rest. Frieda gets paid on a biweekly basis, and she notices that $88.50 is taken out of each paycheck for her portion of the contribution to the family health care coverage. How much does Frieda’s employer contribute for her annual coverage?

**Example 3:** Marina works at Washington Performing Arts Center. Her employer offers her a pension. Marina’s employer uses a formula to calculate the pension. A retiring employee will receive 1.5% of their average salary for the last five years of employment for every year worked. Marina is planning on retiring at the end of this year after 25 years of employment. Marina would receive this amount each year until her death. Her salaries for the last five years are $88,900, $92,200, $96,000, $98,000, and $102,000. Calculate Marina’s annual pension.

**Example 4**: In Reese’s state, the weekly unemployment compensation is 60% of the 26 week average for the two highest salaried quarters. A quarter is three consecutive months. For July, August, and September, he earned a total of $9, 024. In October, November, and December, he earned a total of $9,800. Determine Reese’s weekly unemployment benefits.