



GC Newsletter

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FACTS ABOUT EMPLOYEE BENEFITS

The following information on employee benefits was obtained from Payroll Network, 4040 Nicholson Court, Kensington, MD 20895-1003 (www.payrollnetwork.com).

Employee benefit costs, on average, were more than 44 percent of payroll in 2005, according to the U.S. Chamber of Commerce.

Included in the total benefit costs are the cost of the traditional benefits and the legally-required benefits such as: paid vacation, paid holidays, paid sick leave, health insurance, dental insurance, life insurance, retirement plans, Social Security taxes, workers compensation insurance, and unemployment insurance payments.

Career Builder.com Survey

This survey of 1,650 employees found that 64 percent prefer a shorter workweek over a shorter commute. And 79 percent prefer more income over more vacation time. And 60 percent prefer a flexible schedule compared with 40 percent who prefer being able to work at home.

MetLife Study

This new study reports that 55 percent of employers rank retention as their top goal for their benefits investment. Also, the study reports that just 33 percent of employees feel strongly that their employer does an effective job of educating them about their benefit options.

National Business Group on Health Research

This newly released research finds a majority of U.S. employees are very satisfied with their health care benefit plan...with 75 percent of surveyed employees saying their health benefits are most important. Most impressive, 83 percent of surveyed employees would prefer a cut in pay or retirement benefits rather than a cut in health benefits.

Contradicting the U.S. Chamber of Commerce survey referenced above, a Grant Thornton Government Contractor Industry Survey published in November 2005 indicated that fringe benefits (excluding bonuses) were 32 percent of total labor. Fringe benefits including bonuses were 37% of total labor. With a preponderance of contractors excluding bonuses from the fringe benefit pool the consolidated rate was 33% percent of total labor. Reflecting the impact of retired employees with fringe benefits covered by a previous employer or covered by an employed spouse, 27 percent of the respondents to this Grant Thornton survey reported offering reduced statutory fringe benefits to certain employees.



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