

EMPLOYEE HEALTH INCENTIVES

2021-2022



**Health Incentives/Health and Wellness Committee
Gym Membership or On-site Employee Only Gym**

ENGAGEMENT SURVEY RESULTS

*A LOT of focus on
Health and Wellness!*

OTHER HEALTH INCENTIVES WE ARE BUILDING

- Attending Kairos Biometric Testing
- Attending a Nutrition Class
- Smoking Cessation Classes
- Counting Steps/Providing Step Counters to Staff (\$400)
- Utilizing the Free EAP (Employee Assistance Program)
- Monthly Giveaways
- Recipe Share
- Health and Wellness Articles in Newsletter from Yavapai County Health and Internal Staff



HEALTH SAVINGS ACCOUNTS

*Utilizing the services
we already have in
place*

PROS

One idea gaining traction involves [linking employee wellness to HSAs](#). These tax-advantaged accounts enable employees to pay for a wide variety of qualified healthcare expenses using pre-tax money. In order to have an HSA, employees must be enrolled in a qualified high-deductible health plan (HDHP).

From a financial standpoint, workplace wellness programs can also reduce the cost of healthcare. Healthier people don't get sick as often, which means less visits to the doctor and less money spent on medications and other healthcare expenses. In addition to better health and lower healthcare costs, [wellness programs](#) offer many other important benefits, including:

- Improved mental health, including less depression
- A sense of community and connection with co-workers
- Greater job satisfaction

CONS

- Tracking time and making sure everyone is eligible to receive the incentives
- Maxing out on HSA Contributions (\$3100 individual or \$7000 family)
- Some Staff are Not on High Deductible Plans Currently or do not contribute to an HSA

TAX INCENTIVE TO HAVING AN ON- SITE GYM

*Tax Deductible and No
Cost to Employees*

Fringe benefits

[IRS Publication 15-B](#) is a guide to tax deductible employee fringe benefits. The IRS states, "*Any fringe benefit you provide is taxable and must be included in the recipient's pay unless the law specifically excludes it.*" (IRS pub 15-B page 3)

The specific fringe benefits that can be deducted by the business and are also not taxed to the employee are: accident and health benefits, achievement awards, adoption assistance, athletic facilities, de minimis (minimal) benefits, dependent care assistance, educational assistance, employee discounts, employee stock options, employer-provided cell phones, group-term life insurance coverage, health savings accounts (HSAs), lodging on your business premises and meals.

On-premises athletic facilities

The IRS allows an employer to provide fitness facilities that are for the benefit of employees, their spouses and dependent children. Employees under this rule are:

- current employees
- former employees who retired or left on disability
- a widow or widower of an employee who died while an employee or the widow or widower of an employee who retired to left on disability
- certain leased employees (such as from a professional employer organization)
- partners performing services in a partnership



BENEFITS ON ON-SITE GYMS

- Onsite fitness centers seem to be the latest trend when it comes to company benefits and perks. This incentive can help set your company apart from your competition and also increase company retention.
- Not every company or business can afford the luxury of having an onsite fitness center, but planning for one in your future can be beneficial for your company.

Help Companies Save Money

- Having a gym in the workplace can not only reduce cost of healthcare, but also reduce absenteeism, increase employee retention and boost productivity and quality of work.
- About 70% of employees say they are likely to stay with an employer longer-term if the company invests in employee health and wellbeing, and there is no better way to do that than giving them free or low cost access to an onsite gym.

Physical activity helps employees cope with stress

- Along with weight, stress is one of the highest causes of illness. Multiple scientific studies have proven exercise to be an effective method of stress reduction. This means companies who provide access to exercise equipment and encourage its usage are helping to reduce the impact of stress on the company's overall output.

You are improving work-life balance for your employees

- Convenient access to a gym means employees don't have to drive to a distant site to work out. Employees will appreciate the ability to use their free time productively. Being able to exercise during a lunch break, for example, helps time-strapped employees fit everything into their busy schedules.

COST COMPARISONS

*On-Site Vs. HSA
Incentives*

HSA INCENTIVES

- 50 Employees Join a Gym or Program
- \$20 incentive per month for each one
- \$1000/month
- \$12,000/annually
- \$36,000/over 3 years

ON-SITE GYM BENEFIT

- Start up Cost initial investment \$15,000-\$20,000 including security and equipment
- Maintenance and Cleaning Costs absorbed internally
- Will need to invest in some new equipment every 5 years depending on usage