

## Understanding Employee Benefit Plans – 1 of 2

1. Medical Insurance
2. Dental Insurance
3. Vision Care Insurance
4. Tuition Reimbursement
5. Retirement Planning
6. 401(k) Plan
7. Stock Purchase Plan

### **Medical Insurance**

Medical insurance is a type of health insurance whereby the company assists in paying the medical costs of the employee if the employee becomes sick due to covered causes, or due to accidents.

### **Dental Insurance**

This is a type of health insurance benefit for an employee that provides payment assistance for certain dental services.

### **Vision Care Insurance**

This is a type of health insurance benefit for an employee that provides payment assistance for certain visual wellness and eye care services.

### **Tuition Reimbursement**

This is an educational benefit for employees to take courses outside the college in order to obtain credit for classes toward a degree above that which is required of the position. Classes may also be taken to enhance the skills or training of current personnel in specific areas.

### **Retirement Planning**

What is Retirement Planning? It is the process of establishing a retirement income goal and gathering information about your potential sources of retirement income. The information is then used to help determine if your projected retirement cash flow is adequate to fund your needs.

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## Understanding Employee Benefit Plans – 2 of 2

### **What is a 401(k) Plan?**

The 401(k) plan is a type of retirement plan available in the United States. Named after a section of the 1978 Internal Revenue Code, a 401(k) is an employer-sponsored qualified retirement savings plan. It allows you to save for your retirement while deferring any immediate income taxes on the money you save or their respective earnings until withdrawn.

### **Stock Purchase Plan**

A type of benefit where an employee is able to purchase stock at a discounted price -- usually at a 15 percent discount from the current market value. Participants don't pay taxes on the investment until they sell their stock (for a profit, they hope).

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