

# Creative Workforce Solutions

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# Learning objectives



- ▲ Recognize some of the challenges the industry is facing
- ▲ Identify ways in which you can mitigate some of these challenges
- ▲ Learn about best practices some of your colleagues are using



- ▲ One of the first recruitment challenges in the healthcare industry is an overall shortage of available talent.
- ▲ According to Mercer's study, the United States will need to hire 2.3 million new healthcare workers by 2025 to keep up with the population.

# Factors contributing to talent shortage

The aging Baby Boomer population generates a growing demand for services

The aging healthcare workforce is retiring

There is a steady increase in the number of chronic diseases

There are limited new graduates to fill open positions (Source: Home CEU)

Healthcare's stringent hiring practices

Licensing/screening/education challenges

Agency price gouging

A global pandemic which has many healthcare workers reassessing their career



# Chat Prompt

Please place in the chat how many direct patient openings you currently have in your facilities.





# What are some of the initiatives that can close the gap on these numbers and challenges?

## Short-term solutions:

- ▲ Redefining how work is done
- ▲ Rotations/training for new skills
- ▲ Employee referral bonuses
- ▲ Stay bonuses
- ▲ Retention strategies
- ▲ Pay on demand
- ▲ Utilizing retirees – teaching new hires on the job or at local schools
- ▲ Telemedicine – state of this today
- ▲ Redefining benefits



# Chat Prompt

What are some of the main reasons you are seeing employees leave your organization?



# What are some of the initiatives that can close the gap on these numbers and challenges?

Long-term solutions:

- ▲ Driving the future workforce to the healthcare field
  - Middle school, high school and college, outreach and education
  - Immigrant populations
  - Former military
- ▲ Community partnerships
  - Nutrition and exercise education
- ▲ Telemedicine – future
- ▲ Sponsored education
- ▲ Out-of-the-box thinking





# Student loan repayment program



## What is a student loan repayment program?

- Employer repayment of part of an employee's student loan
- Prior to CARES Act, taxable income to the employee
- Becoming more popular in order to attract/retain employees



## How are contributions by the employer allocated/limited?

- Matching contributions
- Nonelective contributions
- Annual and lifetime maximums



# Private Letter Ruling 201833012

- ▲ Issued in August 2018
- ▲ Applies only to the employer who requested it
- ▲ Employees generally forgo retirement saving to pay off student loan debt

## What did we learn from the Private Letter Ruling?

- ▲ Employers can make a non-elective contribution to retirement plan contingent on student loan repayments
- ▲ Generally, benefits those employees who are not already contributing to the plan
- ▲ Employees can elect out of the program prospectively

# CARES Act: Student-loan relief

Does your organization offer student loan repayment benefits?

## **CARES Act permits the following tax-free benefits:**

- ▲ Up to \$5,250 to be tax-free through 2025
- ▲ Must follow the rules for Sec 127 educational assistance

## **Other employer tax-free benefits – Sec 127 educational assistance**

- ▲ Exclude up to \$5,250 per employee annually
- ▲ Must have a written plan
- ▲ Graduate or undergraduate courses
- ▲ Must not discriminate in favor of highly compensated employees
- ▲ Not required to be job-related



# Educational assistance benefits

Working condition fringe benefit

## For job-related educational expense

- ▶ Cannot qualify employee for a new trade or business
  - E.g., nurse to accountant
- ▶ Can qualify an employee for a new position or specialty within existing trade/business
  - E.g., teacher to principal

## Or expressly required by the employer

- ▶ E.g., work toward advanced degree to retain the job or pay level
- ▶ Must not be needed to meet minimum educational requirements for current job



# Polling question







# Paid Time Off Plan: Allowing employee to cash-in earned time

## IRS guidelines

- ▲ Employees must make a written election before the end of December in the year prior to the year they will be earning and receiving the accrued earned time to be cashed-out. This is an election to receive a cash payout of the earned time to be accrued in the following year.
- ▲ The election must be irrevocable.
- ▲ The payout can only happen once the employee has actually earned and accrued the earned time in the following year. Payouts are generally once or twice per year, but may happen more frequently.
- ▲ Generally requires that the earned time being paid out be substantially less than the accrued earned time owed to the employee



# Paid Time Off Plan: Allowing employee to cash-in earned time

Options for employees with significant balances of unused leave?

- ▲ Allow employee elections based on IRS guidelines
- ▲ Adopt employer-initiated cash-outs
  - Based on accrued balance
  - Fixed number of hours per employee
  - Fluctuating number of hours per levels of accrued balance hours
  - Based on inability to take scheduled leave due to staffing challenges



# Questions?

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