

Pro-Life Policies & Strategies for Your Business





Hello friend!

Recently our company, Buffer Insurance, made a public stand after the overturning of Roe v. Wade by announcing several pro-life company policies.

1. **We are paying for our employee's expenses to have a birth.**
2. **We are offering maternity and paternity leave.**
3. **For those employees who want to expand their family through adoption, we will be paying toward those expenses.**

We are excited to not only celebrate our employee's decisions to grow their families but also take part in making it easier for them to do so. We say all the time at Buffer, "Be there for the ones counting on you." These policies will allow parents to support one another and their children.

To take it one step further, we have decided to share templates of our **Employee Handbook policies** to give you a springboard to implement these pro-life stances within your organization.

Paired with these Employee Handbook policies are Strategies that our team uses to help employers maximize their contributions towards these types of costs and avoid having the benefit amount being reduced by taxes.

The last thing you want to do is add \$5,000 to an employee's paycheck for a birth reimbursement and after taxes they're only receiving \$4,200. These Strategies will show you how to avoid this mistake.

Our company is an independent insurance agency that has years of expertise working with all types of businesses, large and small. Some of these strategies do not require an insurance policy, while others do. If you find yourself wanting to partner with an organization that aligns with your values and believes that the vision for your company is worth investing in, look no further. We are standing by to serve you.



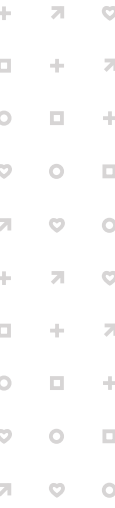
Sean Turner

President | Buffer Insurance



Employee Handbook Policies

An Employer Handbook is not a contract between you and your employees, so some of the language may be broader than an Employment Agreement. These policies listed below are not meant to be an entire Employer Handbook, instead, they would simply be sub-policies of your "Benefits" Section. If you are looking at these policies and realize you don't have an Employee Handbook with appropriate policies such as Dress Code, Personal Cell Phone Use, Paid Time Off, Time Tracking, or similar, please let us know. We offer all our employer clients a free Employee Handbook generator along with additional HR Compliance Support.



BIRTH/ADOPTION AND MATERNITY/PATERNITY SUPPORT

Buffer Insurance is committed to supporting its employees as they give birth and the expenses that surround it, as well as adoption as an alternative means of adding children to your family. Therefore, the Company will reimburse up to [\$XX,XXX] toward the expenses related to a birth or adoption. Additionally, the Company understands that it is a major adjustment to add another person to the family, and provides employees with maternity/paternity leave of [X] weeks ([XX] business days) paid time off following a birth, in addition to any accrued PTO. Finally, the Company will provide 10 optional "flex days" at the end of the maternity/paternity leave period, in which the employee is allowed work from home before returning to work full-time. These flex days can be spaced out during the 60 days following the end of the maternity/paternity leave period as the employee chooses, with reasonable notice and coordination with employee's supervisor. Employees must work for the Company for twelve (12) months in order to be eligible for birth/adoption expense reimbursement, maternity/paternity leave, and/or flex days.

LACTATION POLICY

Employees will be provided reasonable break time to express milk while at work, as frequently as the employee needs to express milk, for up to one year following the birth of a child. If possible, employees should use usual break and meal periods for expressing milk. If this time is not adequate, employees will be provided with other reasonable break time to express milk.

Employees are encouraged to speak with their supervisor to discuss their nursing break time needs and to learn more about lactation breaks and the location for taking such breaks.



LEGAL DISCLAIMER:

Buffer Insurance is not providing legal, insurance, accounting, or tax advice in sharing this policy language. Please consult with your health insurance provider/carrier, your insurance agent, your attorney, tax advisor, and other relevant professionals in order to craft a policy that is right for your organization and the group health plan that you have in place.

Strategies for Maximizing Your Employees' Benefit & Minimizing Your Cost

While the Employee Handbook policies can be used standalone. We have included some strategies you can pair with them so that any dollars you are spending as an employer, reach your employee without having to pay more taxes than you should.

BIRTH & ADOPTION BONUS SAVINGS

If you give your employee a \$5,000 bonus in their paycheck for having a baby, that is extremely generous. Don't let anyone tell you otherwise. However, by the time it reaches them you would have paid \$5,362.50 (because of payroll taxes) and they would only receive around \$4,200. That's close to \$1,000 in taxes wasted.

A better alternative would be to contribute your bonus towards the employee's medical expenses through a **Health Reimbursement Arrangement** (HRA). This medical reimbursement would allow you to gift this amount as a tax-deductible expense but also for the employee to receive it as a pre-taxable bonus.

There are several types of HRAs. The first is an **Individual Coverage HRA** (ICHRA) which can only be implemented if your company is also not offering group medical coverage. This type of plan allows an employer to reimburse the employee for medical premiums, copays, deductibles etc. So if you are negotiating to pay for an employee's medical insurance, instead of just paying them more and eating the cost of taxes for you AND them, earmark an amount each month, say \$500/month, to reimburse them for their individual insurance policy.

The second type of HRA is the **Group Coverage HRA** (GCHRA). While employees aren't able to pay for medical insurance premiums through this HRA, you can reimburse them for expenses that your group insurance doesn't cover. For example, if your deductible on your medical insurance policy is \$3,000, you would be able to pay \$3,000 toward an employee's birth of a baby through your HRA. You can also reimburse for copays, coinsurance or any healthcare expenses not covered by your insurance policy.

More eligible expenses for reimbursement would include the medical bills associated with the adoption process. What an amazing tool to maximize your benefits, right?!



SETTING UP AN HRA



If you're ready to get started, you can't just say you'll reimburse eligible expenses this way. You'll need legal plan documents, employee notices, and a system to substantiate employee claims without violating privacy. HRA administrators have a very small subscription fee which usually includes an app for employees to scan or upload receipts for claim reimbursement amongst other IRS compliance features.

Our company can help you evaluate vendors and also implement a medical insurance policy to reduce your employee's out-of-pocket expenses if they are looking to expand their families. In fact, the number one reason for bankruptcy in the United States is medical bills. Take this opportunity to invest in your vision to retain your top talent and attract new talent.

MATERNITY LEAVE SAVINGS

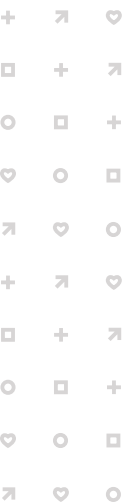
Critics on the internet will say "Why haven't you always had a maternity policy? Big companies have always had this." Our response is that it's easy for big corporations to implement these because they have redundancy in employees. It's easier for them to 'fill the gap' when an employee leaves for 4 to 12 weeks because there are a LOT of other employees to share the load. That's likely not the case for your business. Small and even medium-sized companies just aren't equipped for several reasons.

It's a huge financial burden to have money going towards non-productive people. This is not a quib at the new moms, it just is the reality. Paying for an employee who is not actively contributing to the revenue is hard for businesses to do. Many businesses will need plenty of time in advance to plan for an extended outing, including possibly hiring temporary staff to fill the gaps.

Even after understanding this stark reality, let me show you how to make it easier on you as a business owner or business leader to offer Paid Maternity Leave. We won't be able to solve the temporary staff issues, but this will allow you to afford it much more easily.

Fortunately, there is an insurance policy available to you called **Short-Term Disability** (STD). While Short-Term Disability insurance is intended to cover a broad number of injuries or illnesses ranging from COVID to broken bones, and more, you can implement this insurance policy at your organization to cover maternity (for women).

STD will provide a weekly benefit paid to your employee, typically 60% of their salary for up to 13 weeks. This means if you are to pair this with your Employer Handbook, you could opt to pay the remaining 40% of their salary instead of all 100% and the employee will be made whole.



EXAMPLE WITHOUT SHORT-TERM DISABILITY

Here's an example of how that works. Let's say you have a maternity leave policy that grants a new mother who makes \$1,500/week up to 8 weeks off work and you agree to pay for 100% their salary while they are out. For simplicity sake this is roughly \$12,000 you are out-of-pocket (more if you include taxes).

EXAMPLE WITH SHORT-TERM DISABILITY

Take that same woman above and let's say you do have STD in place, and now you're only paying 40% of her salary for those 8 weeks she is out. Your only out-of-pocket expense is \$4,800 instead of the \$12,000! That's significant savings.

Short-Term Disability is a very inexpensive insurance coverage to implement for your business and provides a significant protection to employees for their greatest asset—their income. If you are interested in exploring this coverage, our agency, Buffer Insurance, would be happy to serve you.



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