

Premium Pay for Workforce Recruitment and Retention Grant Program – Round 2

Determining Employee Eligibility

Webinar for Applicants

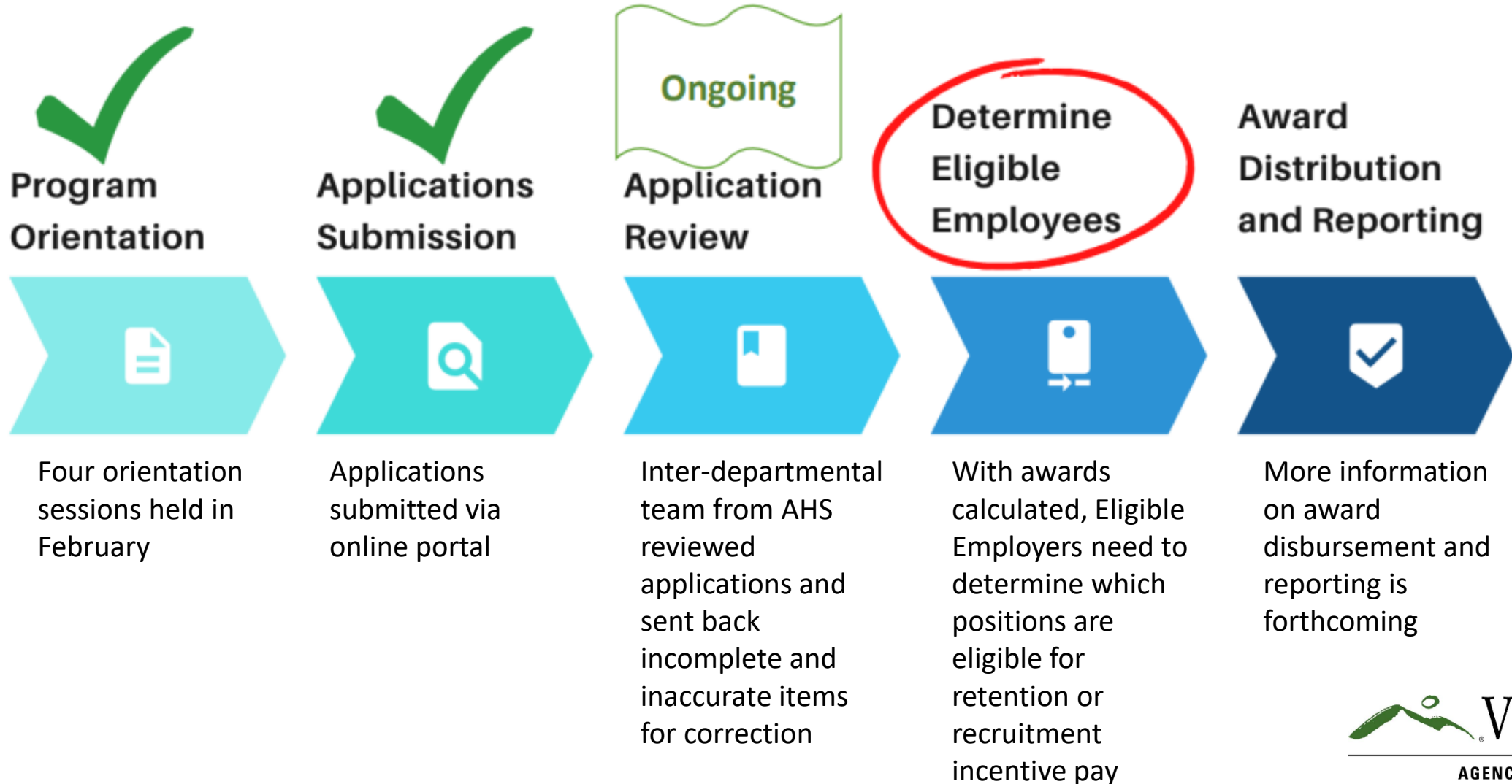
April 20, 2023

Agenda

- 12p – Guidance for Round 2 Grantees in Identifying Eligible Employees
- 12:30 – Guidance for All Grantees Related to End of Public Health Emergency

- Note: At future town hall webinars, we will cover information about:
 - Financial and Evaluation Reporting, and
 - Other topics based on frequently asked questions.

Where Are We?



Determining Employee Eligibility

In order to receive Premium Pay funded by this Program, Eligible Employees must meet three tests:

- a) Meet **eligible worker requirements**, AND
- b) Perform **essential work**, AND
- c) Receive Premium Pay **in response to** essential work the Eligible Employees performed during the COVID-19 public health emergency (i.e. through April 9, 2023).

Eligible Worker Requirements

Test 1

Eligible Employees are workers needed to **maintain continuity of operations of essential critical infrastructure** sections including health care, emergency response, behavioral health work, medical testing and diagnostics, home- and community-based health care or assistance with activities of daily living, social services work, public health work, work requiring physical interaction with patients, and other sectors as described in federal guidance.¹

¹Essential workers is defined in Federal Register, Vol. 87, No. 18, Rules and Regulations. January 27, 2022 (p. 4446).

Essential Work

Test 2

Essential work is work that:

- Is not performed while teleworking from a residence, AND
- Involves either
 - Regular, in-person interactions with patients, the public or coworkers of the individual that is performing the work, OR
 - Regular physical handling of items that were handled by, or are to be handled by, patients, the public, or coworkers of the individual that is performing the work.

Essential Work During COVID-19

Premium Pay **prioritizes low- and moderate-income workers and responds to Eligible Employees performing essential work during the COVID-19 public health emergency.**

Test 3

Eligible Employees must meet at least one of the following criteria:

- i. The Eligible Employee's total wages and remuneration, including the Premium Pay, is less than or equal to 150 percent of the greater of such Eligible Employee's residing state or county average annual wage for all occupations as defined by the Bureau of Labor Statistics' Occupational Employment and Wage Statistics; OR
- ii. The Eligible Employee is not exempt from the Fair Labor Standards Act overtime provisions (29 U.S.C. 207); OR
- iii. The Eligible Employee meets employee classification criteria because they provide direct care and is one of the professions specified in the Program Guidance.

See Program Guidance for details on i and iii.

A Closer Look: Income Level

Bureau of Labor Statistics' Occupational Employment and Wage Statistics data is located online at:
<https://www.bls.gov/oes/tables.htm>

The table below shows data from the May 2021 table. It is the responsibility of the grant award recipient to ensure they are using the most recent data.

Annual Mean Wage – from May 2021 table (for illustrative purposes only, please use most recent data from Bureau of Labor Statistics website)	150% of Mean Wage for All Occupations
Burl/S. Burl Metro (>30 towns)	\$ 88,185
Statewide (all other towns)	\$ 83,175

A Closer Look: “Burl-S. Burl Metro”

Burlington-South Burlington, VT

- Bolton town
- Burlington city
- Cambridge town
- Charlotte town
- Colchester town
- Duxbury town
- Essex town

- Fairfax town
- Ferrisburg town
- Fletcher town
- Georgia town
- Grand Isle town
- Hinesburg town
- Huntington town
- Jericho town
- Lincoln town

- Milton town
- Monkton town
- North Hero town
- Richmond town
- Shelburne town
- South Burlington city
- South Hero town
- St. Albans city
- St. Albans town

- St. George town
- Starksboro town
- Swanton town
- Underhill town
- Vergennes city
- Westford town
- Williston town
- Winooski city

[From May 2021 OEWS Metropolitan and Nonmetropolitan Area Definitions \(bls.gov\)](https://www.bls.gov), accessed April 20, 2023. It is the responsibility of the grant award recipient to ensure they are using the most recent data.

A Closer Look: Employee Classification

iii. The Eligible Employee meets employee classification criteria because they provide direct care and is a:

- Nurse (i.e. LPN, RN, or NP);
- Master's level licensed or non-licensed clinician (i.e. MSW, psychologist, marriage and family therapist, mental health counselor, alcohol and drug counselor);
- Physician Assistant;
- Psychiatrist;
- Physical, occupational, or speech therapist;
- 24/7 residential direct service staff; OR
- Crisis worker.

An Example

- Main Street Care has four employees who meet Test 1 because their work is needed to maintain continuity of operations at the Main Street Care, an organization that provides assistance with activities of daily living.
- All four employees pass Test 2 by virtue of regularly working in-person with each other and/or patients.
- Only three employees pass Test 3.
 - Employee A is not exempt from overtime provisions and thus passes Test 3.
 - Employee B is a manager who is exempt from overtime provisions but still passes Test 3 because her salary and remuneration (including the Premium Pay) is less than the 150% threshold.
 - Employee C makes \$90,000 and is exempt from overtime but still passes Test 3 because she is an RN manager and thus meets employment classification criteria specified above.
 - Employee D is a manager who is exempt from overtime, has income over threshold, and does not have a classification described above; she does not pass Test 3.

Premium Pay

- Premium Pay is defined as an amount of up to \$13 per hour, in addition to wage or remuneration the Eligible Employee otherwise receives, for all work performed by the Eligible Employee during a performance period that falls within the COVID-19 public health emergency.
- Such amount may not exceed \$25,000 with respect to any single Eligible Employee.
- Eligible Employers that receive grant awards have discretion with respect to the way in which Premium Pay is awarded to Eligible Employees (e.g. biweekly, monthly, lump sum); however, it is important to note that the employer must tie the pay to a specified performance period.

Eligible Expenditures

Grant awards must be used by Eligible Employers to provide Premium Pay to Eligible Employees as defined in Section 3 after eligible work is completed. Eligible Employers that receive grant awards may provide Premium Pay for work performed between April 1, 2022 through the end of the COVID-19 public health emergency (April 9, 2023).

Only Eligible Employees who commit to continuing employment with the Eligible Employer for at least one calendar quarter following receipt of the payment are eligible to receive Premium Pay.

Premium Pay may only be provided to those Eligible Employees after work is performed.

Other Updates

- 1. Additional documentation** – The Agency of Human Services must verify the validity of grants to organizations that receive particularly large grants or meet other criteria. This will be done by reviewing payroll reports or other documents that validate the inputs of the Summary Report of FTEs and application. We have received approval from the Agency of Administration to collect this information after the initial grant disbursement. This process means you will be able to avoid delays in providing premium pay to eligible employees who commit to continued work. We will follow up with awardees later this spring and summer.
- 2. Financial and programmatic reports** – Financial reconciliation and programmatic reports will be covered in a future webinar.

Relevant FAQs

1. What is the employer's responsibility for ensuring that the employee completes their required service commitment?
2. How do the figures of \$2,000 per FTE, \$25,000 max per employee, and \$13 per hour relate to each other?
3. May grant awardees distribute Premium Pay to part-time employees?
4. May grant awardees distribute Premium Pay to new employees?
5. Does the grant awardee have to provide the same amount of premium pay to every employee?
6. Is premium pay considered taxable income?
7. Can an employer withhold employer payroll taxes in addition to employee payroll taxes?
8. Can an employer withhold a percentage of the grant to cover administrative costs?

Answers to these questions and more can be found in the [Premium Pay FAQ](#).

Your Questions?

Additional information available at:

<https://humanservices.vermont.gov/recruitment-and-retention>