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PREMIUM PAY FOR WORKFORCE RECRUITMENT AND RETENTION GRANT PROGRAM
Frequently Asked Questions (as of May 27, 2022 – recent additions in yellow highlight)

This FAQ addresses questions related to a grant program created by Act 83 of 2022. The program aims to mitigate the significant negative impacts health care and human services employers have sustained throughout the COVID-19 public health emergency by providing Premium Pay to essential employees. Specific topics covered in the FAQ include:

- A. Application – Summary Report of FTEs
- B. Application - Portal
- C. Eligible Employers
- D. Eligible Employees
- E. Disbursing Premium Pay
- F. Reporting and Financial Management

A. Application – Summary Report of FTEs

- 1) **Question:** How should an applicant list the “Work Location Name and Town” on the Summary Report of FTEs if the employee works at multiple sites?
Answer: Enter [Program or Company Name] - Multiple Work Sites in [Location] Example: Main Street Nursing Homes – Multiple Work Sites in Addison County.
- 2) **Question:** What is a full-time equivalent employee (FTE) for the purposes of this application?
Answer: The [Summary Report of FTEs](#) calculates the “Total Budgeted Employees.” This is the number of FTEs that should be input into the online application. For the purposes of completing “Table i. Full-time employees,” only include employees who are compensated for 35 hours of work per week or more in this table. Employees who are compensated for less than 35 hours of work per week should be included in “Table ii. Part-time employees.”
- 3) **Question:** We chose a 12-week lookback period. We had a full-time employee who resigned after 8 weeks of the period, so we reported 8 weeks in the full-time table and 4 weeks in the vacant positions table? Do we still list the employee name under vacant positions or change the field to the position title?
Answer: You should change to the position name of the vacant budgeted position.
- 4) **Question:** Are sick time and vacation time included in the FTE calculation?
Answer: Yes, compensated sick time and vacation time should be included.

- 5) **Question:** How should the applicant include per diem employees in the Summary Report of FTEs?
Answer: For the purposes of the Summary Report of FTEs calculation, applicants may convert per diem employee time to eight hours per day. If this equates to at least 35 hours per week on average for the lookback period, the employee will be considered a full-time employee and the applicant will not need to enter exact hours. They can simply enter the number of weeks the employee was employed into “Table i. Full-time employees.” If this equates to less than 35 hours, the applicant should enter the total hours for the lookback period into “Table ii. Part-time employees.” Alternatively, if applicants can document actual hours worked by per diem employees, they may choose to enter actual hours worked. Please note that no single employee will be counted as more than 1.0 FTE.
- 6) **Question:** Our organization provides several different services and programs and only some of those services and programs meet the definition of Eligible Employer in Section 2 of the Program Manual. Can we include all our employees within the entire organization on the application?
Answer: No, you can only include employees that work in programs or residences that meet the Eligible Employer definition in Section 2 of the [Program Manual](#).
- 7) **Question:** Our organization is an Eligible Employer. Can we include all types of staff (e.g. maintenance, care coordinators, nurses, custodial) in the application for the purposes of the FTE calculation? Or do we need to determine if the staff meet the Eligible Employee criteria to include them on the application?
Answer: Yes, you can include all your organization’s staff in the FTE calculation. You do **not** need to ensure each employee meets the Eligible Employee criteria to include them on the application for the purposes of calculating a grant award. However, once a grant award is received, the grant awardee must ensure premium pay disbursements are only made to Eligible Employees.
- 8) **Question:** Can we include contracted workers in the Summary Report of FTEs?
Answer: The [Summary Report of FTEs](#) should only include employees of the organization and budgeted vacant positions. Tables i and ii should only include current employees. Table iii should include vacant positions. The State of Vermont recognizes that contracted staff may be performing duties because of staff vacancies. Therefore, applicants may consider a position vacant if it is a posted position even if the duties are currently being performed by a contracted worker. Table iv. is for program evaluation to identify how employers are using contracted staff due to vacancies and whether this grant program impacts vacancy rates and employer use of contracted staff to cover vacancies.
- 9) **Question:** Do we still include a full-time benefited employee hired to work 37.5 or 40 hours per week in the full-time column if they average less than 35 hours per week for the 12-week period? If not, do we list them in part-time based on less than 35 hours averaged per week? If the latter is true, do we add the unmet hours to vacant due to budgeted hours vs. worked?

Answer: First, we want to be clear that Tables i and ii are looking for the hours for which the employee was compensated (not necessarily worked), so if a full-time employee was sick for a week and took a week's vacation, you would still list them. Having said that, if an employee was hired to fill a full-time position, did not fulfill that capacity, and was only compensated for part-time, then yes, you would enter the appropriate hours into Table ii and could then enter the remainder of the budgeted position as vacant hours in Table iii.

10) **Question:** Can Designated Agencies and Specialized Service Agencies include Developmental Home Providers (e.g. Adult Foster Care) in the FTE calculation?

Answer: Yes, Designated Agencies and Specialized Service Agencies can include Developmental Home Providers (e.g. Adult Foster Care) in the FTE calculation as long as the listed staff are not receiving payment through ARIS Solutions for the work performed.

B. Application - Portal

1) **Question:** How can I confirm my application was received?

Answer: There are two ways to verify an application was submitted. First, you should receive a confirmation email from the system. The email is computer generated and is from ahs.workforcegrant@vermont.gov. You should check your spam or junk folders and mark this address as safe sender as you will receive all system generated emails, including approvals and grant award letters, from the system. Second, you can login the account you used to apply and see that their application is in "submitted" status on your dashboard.

2) **Question:** We applied for a unique entity identifier at SAM.gov, but the federal government is reporting processing delays with a turn-around time of more than 2 weeks. How can we proceed?

Answer: Please enter all zeros in this section and submit your application prior to the deadline. We will reach out to you before completing the application review to get the updated SAM unique entity identifier. We cannot issue payment until we receive this number.

C. Eligible Employers

1) **Question:** Are out-of-state employers eligible to apply for this funding if they provide services in Vermont?

Answer: The Eligible Employer could be a parent company from another state that has a branch location in Vermont. The Eligible Employer must employ one or more individuals in Vermont in relation to its operation. Eligible Employers must enter the employee's name and work site location in the application using the [Summary Report of FTEs](#). Eligible Employees must perform their job in a work site located in Vermont. See Q.1 in Section A above regarding Eligible Employees who work in multiple sites or perform home visits.

D. Eligible Employees

- 1) **Question:** What is the employer's responsibility for ensuring that the employee completes their required service commitment?

Answer: The employer is required to obtain and document a good faith commitment from the employee prior to distributing premium pay.

- 2) **Question:** I should only enter Eligible Employees into the Summary Report of FTE, correct?

Answer: No. It's important to make the distinction between the application process of counting employees in the lookback period from the process of disbursing funds to eligible employees. For the purposes of the application, the applicant should include all of their employees who do work in Vermont for an eligible employer. This is the basis of the grant award calculation. They do not have to perform the Eligible Employees test or seek service commitments as part of the application process.

For the purposes of distributing the grant award, the grantee will need to ensure that only Eligible Employees receive premium pay. Eligible Employees must meet the criteria in Section 3 of the [Program Manual](#) and must commit to continuing employment with the Eligible Employer for at least one calendar quarter following receipt of the payment. Eligible Employees can include employees that support the staff that provide direct services and supports as long as they meet the requirements of Section 3. There will be additional webinars to discuss eligible employees after the application process is complete.

E. Disbursing Premium Pay

- 1) **Question:** Are grant awardees required to distribute \$2,000 per employee?

Answer: No, grant awardees are not required to distribute \$2,000 per employee. \$2,000 per FTE is the formula used for requesting a grant award amount. Per Act 83 of 2020, "employers shall be afforded flexibility in how best to provide these incentive payments and how best to encourage continued employment beyond the [one calendar quarter] service commitment." Grant awardees must ensure they do not exceed the allowable premium pay limits described in Section 4 of the [Program Manual](#).

- 2) **Question:** How do the figures of \$2,000 per employee and \$13 per hour relate to each other?

Answer: The two figures aren't directly related. The \$2000/FTE refers to the method of calculating possible grant to the organization. \$13 per hour refers to the maximum amount an Eligible Employee can receive in Premium Pay. You do not need to make decisions about the Eligible Employees or Premium Pay disbursement before the application deadline. There will be additional Town Halls to dig in on these topics in June.

- 3) **Question:** May grant awardees distribute Premium Pay to part-time employees?

Answer: Yes, grant awardees may distribute Premium Pay to part-time employees that meet the Eligible Employee criteria in Section 3 of the [Program Manual](#).

- 4) **Question:** May grant awardees distribute Premium Pay to new employees?
Answer: Yes, grant awardees may distribute Premium Pay to new employees that meet the Eligible Employee criteria in Section 3 of the [Program Manual](#). However, Premium Pay may only be provided for work performed. New employees must perform work before receiving Premium Pay disbursements.
- 5) **Question:** Can Premium Pay be provided to employees who are working as of April 1, 2022?
Answer: Yes, Premium Pay can be provided to Eligible Employees for work performed as early as April 1, 2022. However, Premium Pay can only be disbursed after the grant awardee confirms the employee is an Eligible Employee as described in in Section 3 of the [Program Manual](#) and the Eligible Employee commits to continuing employment with the Eligible Employer for at least one calendar quarter following receipt of the payment as described in Section 5 of the [Program Manual](#).
- 6) **Question:** Does the grant awardee have to provide the same amount of premium pay to every employee?
Answer: No, the grant awardee has flexibility to determine the amount for each employee, within the allowable premium pay limits described in Section 4 of the [Program Manual](#).
- 7) **Question:** Is premium pay considered taxable income?
Answer: Yes, premium pay is considered taxable income.
- 8) **Question:** Can an employer withhold employer payroll taxes in addition to employee payroll taxes? Can an employer withhold a percentage of the grant to cover administrative costs?
Answer: The funds must be used for recruitment and retention incentive payments only. An employer CAN use the grant to pay employer payroll taxes as that is consistent with salary and benefits. An employer CANNOT use the grant for administrative costs (neither direct nor indirect - such as a certain percentage, as you reference).

F. Reporting and Financial Management

- 1) **Question:** If an Eligible Employer's business is sold but continues to operate similarly in substantially all respects, and continues to be an Eligible Employer, could the Premium Pay grant benefits and obligations be transferred to the business under new ownership, or would unexpended funds at the date of the sale have to be returned to the State?
Answer: Because of the downstream effects with 1099 reporting and auditing, the seller should return the unused funds and the State can issue a new grant for the new owner. This will require some manual workarounds, but it will be cleaner.