



Time for a Mentality Shift: How the PEO and Staffing Worlds Can Use Employee Benefits Complexity to Enhance Their Value Proposition

Insights

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If you poll a sampling of PEO and staffing community leadership, you'd probably discover that compliance with employee benefits law (not to mention the related insurance and tax fields) is among the most challenging and least pleasant aspects of the job – but maybe it's time for a mentality shift. There is actually a way to approach employee benefits complexities as a net-positive solution instead of a compliance chore. As we head into 2023, you can create some interesting enhancements to your value proposition and separate your organization from the pack by implementing a few simple changes. We'll dive deeper into this topic during the Benefits, Insurance, and Tax session at the [Fisher Phillips' PeopleLaw Conference from February 22-24](#), but this Insight provides an overview of the topic and some initial steps to consider.

401(k) Matching Contributions for Student Loan Repayments

When President Biden signed the government funding bill into effect right at the end of 2022, he also set into motion a series of employee benefits law revisions that could enhance a 401(k) plan's impact on your value proposition. The SECURE 2.0 legislation (Setting Every Community Up for Retirement Enhancement) contains a number of 401(k) plan enhancements that you can capitalize on to help create a more welcoming environment for workers across all industries. One highlight is the ability to make matching contributions on student loan repayments.

Starting in 2024, employers will be able to make matching contributions on employee student loan repayments. This provides employees with an extra retirement savings incentive – and does so while allowing them to repay their educational loans, which is a double-win. According to the Federal Reserve, student loan debt impacts 45 million Americans whose combined debt is \$1.75 trillion. So you can be sure that jobseekers and employees will be looking to see how employers can make their lives just a little bit easier in that regard.

Given the intense competition that exists in today's job market, you don't need us to tell you that employers should explore any little bit that gives them an edge when it comes to recruiting and retaining top talent. By helping employers establish a system that both incentivizes student loan repayment while building retirement savings, you could go a long way towards creating a more attractive 401(k) plan solution.

Emergency Savings Accounts

Additionally, beginning in 2024, SECURE 2.0 will allow employers to offer non-highly compensated employees emergency savings accounts linked to 401(k) plans. This provision will address a common concern that leads many employees to avoid socking away money for retirement – the fear that their savings will be locked away and unavailable to them in the case of an unforeseen emergency.

Paid Leave Benefits

Another approach you may not have considered as realistic: setting up paid leave benefit policies for employees taking medical or parental leaves. These policies are often seen as cumbersome and complex, causing administrative burdens and compliance risks. In other words, this is another opportunity for PEOs and staffing companies to provide “value-added” services for their clients.

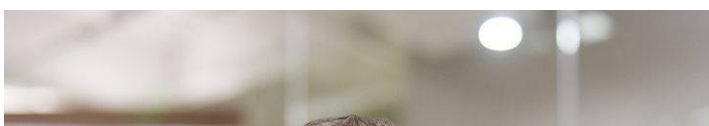
A paid leave policy can be structured to run concurrently with certain leave entitlements under applicable laws and can be tied to state-provided disability and family-leave benefit programs that employees may have access to. With a little simple analysis and adaptation, your Fisher Phillips attorney can assist you in developing out-of-the-box solutions for your clients that allow them to implement competitive paid leave programs that are certainly attractive and highly sought-after by today’s modern workforce.

Learn More

We invite you to join us in Marina del Rey, California, for Fisher Phillips’ first annual [PeopleLaw Conference](#) on February 22-24, where we’ll discuss these – and many other topics – in depth. We’ll bring together thought leaders in the PEO, staffing, and gig economy industries to discuss common legal challenges and solutions, and you’ll hear from our firm’s PEO and Staffing Group lawyers, along with industry association executives, on the latest trends in a series of engaging and interactive sessions. Each session will provide you practical skills you can put to use right away. You’ll also have plenty of time to network with your peers to gain invaluable insights and learn from each other. [You can learn more about the conference and register by clicking through here.](#)

Until then, we will continue to monitor the situation and provide updates as more information becomes available. Make sure you are subscribed to [Fisher Phillips’ Insight system](#) to get the most up-to-date information. Any questions may be directed to your Fisher Phillips attorney, the authors of this Insight, or any attorney on our [PEO and Staffing Industry Team](#).

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