

SOH Wind Engineering

VEGI Policy Review

Item 8

Changes to Qualifying Jobs to Include Benefits



About SOH Wind Engineering

- Established in 2011 and located in Williston with a sales office in Malaysia
- Danish owned with a sister firm located in Copenhagen, Denmark
- 11 employees (10 in Vermont and 1 in Malaysia)
 - 8 full-time and 3 part-time
 - 6 Engineers, 2 Operators, and 3 Students
- Operate two wind tunnels in a 22,000 sq. ft. building
- \$1.5 Million to build the tunnels using local and international suppliers



SOH Wind Engineering Business Areas

Anemometer Calibrations



Wind Engineering of Structures



Other Wind Tunnel Tests



SOH Business Strength

- Largest anemometer calibration lab in the world.
- Completed wind engineering projects in the US, Canada, Spain, Denmark, Norway, Romania, Singapore, and Vietnam.
- Currently operate wind tunnels 24 hours per day, 7 days a week.



Existing Qualifying Job Requirements

- Non-owner
- Permanent
- Vermont employee
- Earning above the VEGI Wage Threshold (\$15.36 for 2016 in Williston)
- Receiving employer-supported benefits (at least 3 of the below items)
 - Health care
 - Dental assistance
 - Paid vacation
 - Paid holidays
 - Child care
 - Other extraordinary employee benefits
 - Retirement benefits
 - Other paid time off
- Full-time



SOH Employee Cost Versus Wage Threshold

	Salary Employee	Starting Hourly Employee (\$15.50 / hour)	Hypothetical Employee (\$10.00 / hour)
Base Salary / Yearly Wages	\$85,000	\$32,000	\$20,800
Health and Dental Insurance (Family)	\$13,594	\$13,594	\$13,594
401K (3% Match)	\$2,550	\$960	\$624
Short and Long Term Disability	\$840	\$840	\$840
Life Insurance	\$252	\$252	\$252
Paid Time Off and Holidays (Starting at 22 days)	\$7,192	\$2,708	\$1,760
Benefits Total	\$24,428	\$18,354	\$17,050
Total Cost	\$109,428	\$50,354	\$37,850
Hourly Equivalent		\$24.20	\$18.20



Reported Number Versus Reality

- Starting wages for hourly SOH employee = \$32,000
- Actual amount that should be reported = \$50,354
- \$10 hourly wage including benefits should still be included as a qualifying job.



Using W-2 Medicare Wages in the Reporting (Box 5)

- Medicare wages are reduced if employees utilize HSA accounts.
- HSA's can reduce the amount reported by up to \$6,750 for a family
 - Add \$1,000 for HSA catch-up
- Can reduce the equivalent hourly wage by \$3.73 per hour.



Part-Time versus Full-Time

- SOH utilizes UVM college students to run the tunnels and perform experiments.
- VEGI program discourages this practice due to the full-time requirement.
- Students
 - Generally request to be part time due to course loads
 - Gain valuable experience working in an engineering environment
 - Allows SOH to have a year long interview



Suggested Changes

- Benefits included in the wage calculation for qualifying employees.
 - Encourage businesses to increase benefits.
- Add the HSA deduction back into the Medicare wage calculation.
 - Encourages employers to allow HSA accounts.
- Use full-time equivalent instead of disqualifying part-time labor.
 - Encourage the hiring of students and other people that can only work part-time jobs.



Thank you for your time and support.

