



VERMONT EMPLOYMENT GROWTH INCENTIVE JOB CATEGORIES

Vermont statute (32 VSA §5930b (a)) defines the type of employee whose payroll is eligible to count toward the VEGI incentive calculation. While the new payroll generated by all new job creation (qualifying, non-qualifying, owner, and part-time) will count toward the overall *economic* impact of a project, only the payroll generated by New Qualifying Employee job creation will count toward the annual *incentive* calculation.

Applicants must segregate the historic and projected headcount and payroll into several employment categories. Do not use any definition other than those provided below to segregate jobs and the associated payroll into categories for the VEGI application. To simplify data entry in the VEGI application, applicants can use these definitions and the wage threshold in effect for the year their project commences for all years, including historic. In other words, if you are applying in 2016, you do not need to go back and determine the wage threshold for 2014 to enter the required data for 2014, you would use the 2016 wage threshold.

Read all the definitions to properly segregate the jobs and payroll to according to these definitions:

- Qualifying
- Non-Qualifying
- Part-time/Seasonal
- Owner-employee
- Other

Qualifying Job

To qualify means that the payroll for the new job can be included in the incentive calculation. A “qualifying job” is defined as:

- New position created after the [Activity Commencement Date](#) (position can be filled by an existing employee only if that person’s previous position is backfilled).
- Full-time (works at least 35 hours per week);
- Permanent (not seasonal, temporary, contract, or temp agency);
- Not an owner (someone who controls 10% or more of the company);
- Paid a Medicare wage or salary as reported on a Federal Tax Form W2 for employment in Vermont by the company that is applying for VEGI incentives, at an annual average rate that is *more than* 140% or 160% of the Vermont Minimum Wage, depending on the Labor Market Area in which the project will occur (Click [here](#) to determine the LMA and Wage Threshold for your project); and
- Will be eligible for at least three of the following employee benefits provided by the employer:

- (A) **Health care:** employer pays at least 50% of an employee’s health care costs or at least 50% of the employee’s health care insurance premium;
- (B) **Dental assistance:** employer pays a portion of an employee’s dental care costs or a portion of the employee’s dental care insurance premium;
- (C) **Paid vacation:** employer provides wages or salary for vacation days taken by employee;
- (D) **Paid holidays:** employer provides wages or salary for scheduled holidays taken by the employee;
- (E) **Child care:** employer provides free on-site child care or pays for some portion of employee child care expenses directly, as a reimbursement, or through a contribution to an employee assistance program.
- (F) **Other extraordinary employee benefits:** employer pays some portion of some other employee benefit. “Extraordinary” means a benefit that substantially impacts an employee. Examples of extraordinary benefits include: tuition assistance or reimbursement, adoption assistance, short and long term disability insurance with premium paid by employer, accidental death and dismemberment insurance with premium paid by employer, life insurance with premium paid by employer, vision care costs or insurance premium paid by employer, bonus pay, profit sharing, transportation subsidies, or substantial recreation benefits such as a season ski pass, year-long gym membership or equivalent. Benefits that will not be considered extraordinary are things such as flex time, work related shoes or clothing, on site services such as credit unions, gyms or massages, employee assistance programs, parties, products or product discounts.
- (G) **Retirement benefits:** employer makes a contribution to some type of employee retirement account each pay period;
- (H) **Other paid time off, excluding mandatory paid sick days:** employer provides wages or salary for leave, above and beyond vacation, holiday, or mandatory sick leave, taken by employee. This can include, but is not limited to, paid leave stated as a policy for paid maternity, paternity, adoption, bereavement, family emergency, jury duty, military service, and community volunteering.

Non-Qualifying Job

Non-qualifying refers to the payroll for such as job, which cannot be included in the incentive calculation. Qualifying and Non-qualifying are both full-time job categories, but the wage level of the job, or eligibility for benefits, separates qualifying from non-qualifying. Qualifying is paid *above* the VEGI [Wage Threshold](#) for the region in which the project is located *and* is eligible for three or more of the benefits listed above. Non-qualifying is paid *at or below* the VEGI [Wage Threshold](#) *and/or* is not eligible for at least three of the benefits listed above. A “non-qualifying job” is defined as:

- Full-time (works at least 35 hours per week);
- Permanent (not seasonal, temporary, contract, or temp agency);
- Not an owner (someone who controls 10% or more of the company);
- Paid a Medicare wage or salary as reported on a Federal Tax Form W2 for employment in Vermont by the company that is the subject of the VEGI application at an annual average rate that is *at or below* 140% or 160% of the 2015 Vermont Minimum Wage depending on the Labor Market Area in which the project will occur; *and/or*
- Will be eligible for fewer than 3 of the employer provided benefits listed above.

Part-time/Seasonal

A part-time job is defined as paid a Medicare wage or salary as reported on Federal Tax Form W2 for employment in Vermont by the company that is applying for VEGI incentives, but working 34 hours or less per week.

A seasonal job is defined as paid a Medicare wage or salary as reported on Federal Tax Form W2 for employment in Vermont by the company that is applying for VEGI incentives, but is hired with the expectation that the job will not provide work for a substantial portion of the year.

Owner-Employee

An owner-employee is defined as:

- Paid a Medicare wage or salary that is reported on Federal Tax Form W2 for employment in Vermont by the company that is applying for VEGI incentives; and
- Has more than a 10% ownership interest in the company that is the subject of the VEGI application, including attribution of ownership interests of the employee's spouse, parents, spouse's parents, siblings, and children. If an owner's interest, including attribution of ownership interest is 10% or less, and they receive Medicare wages or salaries for employment in Vermont by the company that is applying for VEGI incentives, include them in the appropriate category according to their employment status or wage level.

Other

Jobs included in the other category are *not* included anywhere in the VEGI application. These include:

- Owners who do not receive Medicare wages or salaries. For example, owners who receive shares or stock or other compensation only.
- Full-time employees that do not work in Vermont and are not paid a Vermont wages or salary. That is, the company does not withhold and submit Vermont withholding on behalf of the employee. For example, sales personnel stationed in another state or country.
- Temporary employees
- Agency employees
- Contract employees or any other type of employees who are not directly employed by the applicant company.