VERMONT

VERMONT ECONOMIC PROGRESS COUNCIL

VERMONT EMPLOYMENT GROWTH INCENTIVE
JOB CATEGORIES

Vermont statute (32 VSA §3331) defines the type of employee whose payroll is eligible to be counted toward the VEGI incentive calculation. While the new payroll generated by all new job creation will count toward the overall ***economic*** impact of a project, only the payroll generated by "New Qualifying Employee" jobs will count toward the annual ***incentive*** calculation.

Applicants must segregate the projected headcount and payroll to be created during the project years 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.

Read all the definitions to properly segregate the jobs and payroll 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 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) for the year in which the project starts. (Click here to determine the LMA and Wage Threshold for your project location); 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. Non-qualifying jobs are included in the application so that the economic impact of these new jobs can be calculated, but the payroll associated with Non-qualifying jobs will not 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 jobs are paid an annual average wage that is ***above*** the VEGI Wage Threshold for the region in which the project is located ***and*** are eligible for three or more of the benefits listed above. Non-qualifying jobs are paid an annual average wage that is ***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 Vermont Minimum Wage (depending on the Labor Market Area in which the project will occur) in the year the project starts; ***and/or***
- Will be eligible for ***fewer*** than 3 of the employer provided benefits listed above.

Note that no other criteria are used to distinguish between qualifying and non-qualifying. For example, a salesperson that is located out-of-state is not included in the application as a "non-qualifying" employee.

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 majority of the year.

Owner-Employee

An owner-employee is defined as:

- An owner 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 Qualifying or Non-Qualifying category, as appropriate according to their wage or salary 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.