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## **Cheers to a Happy New Year! Want to compete and hire & retain the best employees... Offer Lifestyle Benefits**

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For many companies, a new year means a fresh start and since the calendar starts over, many businesses feel they can try to do more with less staff. But how can employers ensure that they remain competitive and retain the best staff for their team and more importantly retain those staff for years to come?

### **Answer: Perks and Hiring Incentives**

Attracting and retaining workers is *extremely* important for all companies, regardless of their size. A high retention rate results from a combination of clearly communicated company culture, effective training programs, good hiring, options for career advancement & salary practices, and other fringe benefits. Adding retirement planning and uncapped vacation time to your hiring perks may help you compete for talent in today's competitive market.

**Ever heard of “Life Style Benefits?” Unsure... you better get up to speed; these types of benefits are fastly emerging.**

Two perks surfacing in the benefits pool are retirement planning for smaller companies, and adoption of untracked vacation time. These benefits align on lifestyle needs and quality of life. In the past, working for a smaller business often meant foregoing less robust retirement planning opportunities and the ability to earn paid time off banks of time... But times are changing.

## Onboarding? Think about retirement

If your workforce is larger, the chances are good you already offer a 401(k) Retirement Plan opportunity for your employees.

For smaller businesses, the administration cost of retirement plans is sometimes out of reach. BUT, the tides are changing.... *Calling all small employers, now hear this...* Recent studies have found that now is a good time for smaller companies to start to offer retirement planning just like their larger counterparts and the costs associated with administering these plans are now manageable for all companies whether they are small or large.

A retirement plan benefits employers and workers in a number of ways. For employers, retirement planning is a competitive hiring benefit. **Also, retirement contributions are not taxable by state and federal agencies until distributed, and employees can roll their invested vested savings forward with them when changing jobs.**

## No need to accrue vacation time ~ Instead, Offer Unlimited Paid Time Off

Overwork and loss of work-life balance rapidly erode job satisfaction. As job time seeps into personal time, the line between work and home blurs. For some businesses, taking the cap off vacation hours is a way to attract and retain top talent, as well as display trust and value to employees.

*How does it work?* “Unlimited” vacation time allows workers to take the time off, paid, as they need it or want to take the time off. While uncapped vacation time is widely discussed and considered by talent to be a valuable hiring perk—in practice it does not always work out that way.

There are both benefits and drawbacks when an uncapped time off benefit is offered:

Pros:

- Companies with uncapped vacation time reduce the administrative time spent following and tracking employee vacation hours.
- Employees no longer have to scramble to use their vacation time by the end of the year under “use it or lose it” policies.

Cons:

- Most employees do not take undue time off. In fact, more often, workers take less time off than they would otherwise.
- Taking away checks and balances for vacation time sometimes pressurizes the workforce, instilling an unsaid code that workers should work harder and not take time off.
- If uncapped vacation policies and guidelines aren’t communicated clearly, it may affect planning and productivity.

When you have questions about benefits, labor standards, or other HR best practices, contact us at McCloskey Partners, LLC and we will be sure to assist you or make sure you are directed to the appropriate industry experts.

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