Employee Benefit Pyramid

While every business is unique, the size and profitability of a business tend to determine whether and what employee benefits will be offered. The employee benefit pyramid that follows represents how a business might add layers of benefits, as it grows in number of employees and profitability.



In addition, more small and medium-size companies are opting to implement **voluntary benefit plans**, which enable their employees to purchase a variety of benefits on a pre-tax basis and at a lower cost than if they were to purchase the same benefits as individuals. While the employer incurs some administrative costs, these costs are frequently offset through FICA savings.

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