# The New York Health Care Worker Bonus Program: Dispelling the Myths; Explaining the Facts

On August 3, 2022, New York State Governor Hochel announced the Health Care Worker Bonus (HWB) program with its stated goal of “recruiting, retaining, and rewarding health care and mental hygiene workers.” The NYS Department of Health (DOH) published FAQs explaining the program. However, due to ambiguities, short lead-in time, and unanswered questions, myths and misunderstandings have mushroomed around the HWB.

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myths and misunderstandings have mushroomed around the HWB. So, let's first get the facts straight and then dispel some of those myths.

## The Facts of the HWB

Frontline, patient-facing employees and health care support workers with qualifying titles must receive bonuses in installments, up to $3,000, based on hours worked during five consecutive six-month vesting periods starting October 1, 2021, and ending March 31, 2024. That means you will be measuring employees for hours worked stretching back to 2021. Specifically, for each vesting period, employees who earn up to $62,500 and work a weekly average of:

- 20-30 hours are eligible for a bonus of $500.
- 30-35 hours are eligible for a bonus of $1,000.
- 35 and more hours are eligible for a bonus of $1,500.

Of note, hours worked does not include overtime or double time. (Also note that employees who work exactly 30 or 35 hours are one of the ambiguities pending DOH clarification.) The HWB is exempt from New York taxes (state and local), and employers will be reimbursed for their portion of FICA and other payroll taxes. The mechanism for this reimbursement has not yet been announced. Them's the facts. Now let's tackle the myths:

### Myth #1: The HWB only applies to health care organizations.

No. Educational institutions and certain state funded programs also need to pay the HWB to qualifying employees, such as school nurses, counselors, and speech-language pathologists. Note that this applies to school districts, charter schools, nonpublic schools, approved preschool programs for students with disabilities, boards of cooperative educational services (BOCES), and private institutions of higher education.

### Myth #2: My home health aides (HHAs) are eligible for the bonus.

No. Home health aides are not included in the HWB Program. The presumption apparently is that the October 1, 2022, HHA minimum wage increase obviates the need for a bonus. For more information about the HHA minimum wage increase, check out our webinar The Maximum on the Minimum: Are you Ready for Your Home Health Care Workers' Wage Increase?.

### Myth #3: I need to pay the bonus to qualifying employees and then apply for reimbursement, just like FFCRA paid leave COVID credits.

No. The FAQs state that "advance payments are not permitted." Why not? Think about it – the $3,000 bonus limit applies across all employers that an employee works for, and the DOH is taking responsibility for monitoring this limit, so they don't want you to go ahead and pay out amounts that

you won't get reimbursed for. In addition, employees may not receive bonuses if they have ever been suspended or excluded from the Medicaid program, so don't pay until you receive the bonus money.

## Myth #4: If an employee works for my agency for an average of 25 hours during three vesting periods, they're eligible for $500 for each period since that's only $1,500, and the bonus limit is $3,000.

No. An employee can receive a bonus from a single employer for a maximum of two vesting periods, even if the total is less than $3,000 – in this case $1,000. If they haven't maxed out on the $3,000, though, they could theoretically qualify for more through a second employer.

## Myth #5: I pay my employees well above market rates, and I provide regular performance bonuses that can exceed the $3,000 state program. I don't have to bother with this whole HWB business, right?

Wrong. Qualifying employers are mandated to claim their employees' bonuses and to pay them no later than 30 days after receiving funding. Participation in the program is not voluntary and is in addition to employers' existing incentive pay programs. **At Viventium, our Dedicated Client Service Team has the facts straight, and we're poised to process and track your HWB checks. Viventium will provide you with the payroll tools and analytics you'll need to measure your employees' eligibility and HWB amounts.**

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