



Show Me the Money

HI-CDO - NEW EMPLOYER

Effective 07/01/2025

Did you know that it costs you, the Employer, more to employ someone than just their wages?

By law, Employers need to pay a portion of their employee's Social Security and Medicare taxes, as well as their Federal and State unemployment taxes. Acumen calls these Employer-related costs the "**Cost to You**".

Every year, these taxes are evaluated and may change according to the laws. Any change may impact your employee's wages, so you will be notified if/when those changes occur.

These taxes are calculated and paid for on your behalf through the CDO program. It is important for you to understand how this impacts your budget/authorization to help you manage your budget accordingly.

Currently for every \$1.00 you pay in wages, you must add approximately 11.1 cents to pay for those Employer taxes.

You can choose to pay your employee any amount starting from the State minimum wage of \$14.00 (as of 1/1/24), up to the maximum hourly wage listed per service on the table on the next page. Multiply the hourly wage you'd like to pay by **1.1106**, then round up to the nearest penny, and you'll have the "**Cost to You**".

Employee Hourly Wage

x 1.1106 =

Employer Tax

Cost to You
(Always round UP)

If you choose to provide Worker's Compensation insurance to all of your employees, the Employer tax changes to cover the cost of providing worker's comp (11.1 cents for Employer taxes plus 5 cents for worker's comp for every \$1.00 paid out). **Multiply the hourly wage you'd like to pay by 1.1600 instead, then round up to the nearest penny and you'll have the "Cost to You" with worker's compensation.**

The "**Cost to You**" is the actual amount per hour that is deducted from your budget for every regular hour worked (up to 40 hours per week). The difference between the hourly wage & the "**Cost to You**" amount pays for the Employer's portion of the employee's Social Security, Medicare, & unemployment taxes.

For example, if you choose to pay your employee \$15.00/hr without worker's comp & you multiply that wage by 1.1106, the "**Cost to You**" amount will be \$16.66. The \$16.66 is what will actually be taken out for every hour the employee works. The employee will see the \$15.00 and the extra \$1.66 will pay for the Employer taxes.

Your budget already factors in this "**Cost to You**" amount based on the maximum hourly wage.



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As the Employer, you can choose any amount starting from the State minimum wage (\$14.00 as of 1/1/24), up to the maximum hourly wage listed below per service. If you choose to provide Worker's Compensation insurance to ALL of your employees, wages are slightly lower in order to compensate for the cost of the insurance.

Find the service(s) listed on your ISP and the wage to the right is the maximum that can be paid to your employee per hour per service.

The “**Cost to You**” column shows the maximum hourly wage multiplied by **1.1106** (without worker's comp) to pay for the Employer-related taxes. If you choose to provide worker's comp, multiply the wage by **1.1600** instead.

SERVICE CODES	MAXIMUM HOURLY WAGE <u>WITHOUT</u> Worker's Compensation	MAXIMUM HOURLY WAGE <u>WITH</u> Worker's Compensation	COST TO YOU per hour (for budgeting purposes only)
	Employer tax burden 1.1106	Employer tax burden 1.1600	
Community Learning Service			
CLS1x / CLS10x	22.69	21.72	25.20
Personal Assistance Habilitation			
PAB1 / PAB1-O	22.04	21.10	24.48
Respite Services			
RSP1x / RSPOx	20.21	19.34	22.44
Chore Services			
CHRx / CHROx	21.86	20.93	24.28
Big Island ONLY Service Codes			
CLS Services - CL1Bx / CLOBx	23.66	22.66	26.28
PAB Services - PB1Bx / PBOBx	22.04	21.10	24.48
Respite Services - RS1Bx / RSOBx	20.21	19.34	22.44
Chore Services - CHRBx / CHOBx	21.86	20.93	24.28

** Service codes that have an “O” or “OB” are services authorized to allow 2 employees to work with the same Participant at the same time.

Note: If a new service code is ADDED to your ISP OR you want to CHANGE an EMPLOYEE'S WAGE, you must complete a new Employee Rate Form. Contact your local Acumen Agent.