a little more about
TAXES,
COST OF LIVING,
HEALTH INSURANCE,
and OTHER REAL LIFE STUFF

+start BUSINESS PLAN B +start FINANCIAL FORMS

GRFX-4503 SPG24

I am not a lawyer.
I am not a licensed tax preparer.
I am not an HR (Human Resources) Specialist.
But I am a designer who has dealt with almost all of what we will talk about today.

I have worked for a salary with benefits.
I have worked totally freelance where I had to pay my own insurance.
I have worked on retainer, also with no benefits.

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^^^ Over many years in multiple states.

DOWNLOAD AND OPEN SECTION 4 PROJECTS



Begin **BUSINESS PLAN B**

- > Cost-of-Living
- > Health Insurance (Benefits)
- Salaried OR Contract
 - > Hourly OR
 - Per Project OR
 - On Retainer
- > More About Taxes
- > Benefits!!! (Usually only for Salaried)
- > Pre-Hire activities:

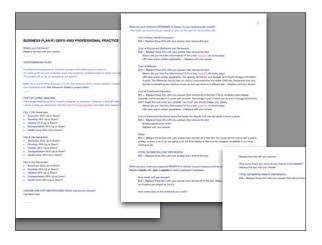
Tips from an HR Specialist

Begin FINANCIAL FORMS

Begin BUSINESS PLAN B > Cost-of-Living > Health Insurance (Benefits) > Salaried OR Contract > Hourly OR Per Project O On Retainer > More About Taxes > Benefits!!! (Usually only for S > Pre-Hire activities: Tips from an HR Specialist Begin FINANCIAL FORMS

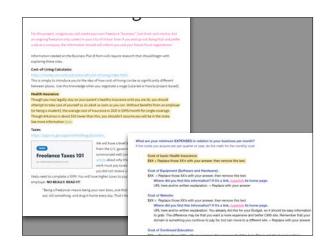


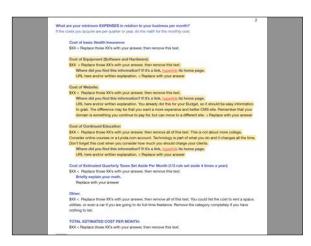


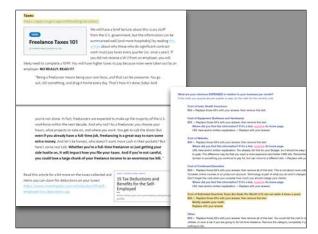






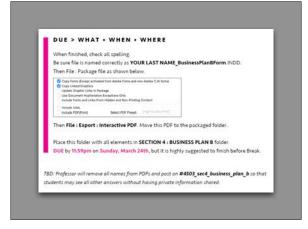














What is salary pay?

Salary pay is what an employee receives upon becoming a full-time employee. Your pay is a predetermined annual sum dispersed throughout the year.

What is salary pay beyond the annual paycheck? Well, schedule and predictability. When you are a salaried employee, you know exactly when you'll get paid and how much will be in your paycheck. This schedule allows for financial reliability and planning.

A salaried employee vs. an hourly one also varies in their benefits packages. Salary workers are usually entitled to benefits, including health insurance, paid time off, and other programs determined in your contract.

https://www.wraobook.com/blog/salary-vs-hourly

What is hourly wage?

An hourly wage is quite simply the amount of money paid out per hour. So, a salaried person still has an hourly wage - they just don't often look at it that way.

Now, once we make the distinction that we're talking about a non-salaried worker, we can call them "hourly workers" and refer to those who only get paid for the hours that they work.

Remember a salaried worker gets paid a fixed salary based on a schedule. That's it. So if they work longer one day, they usually don't get <u>overtime or extra hourly pay</u>, (some salaried positions WILL be allowed overtime below a certain amount of money).

Compare that to a non-salaried worker who will likely be allowed overtime, depending on the amount of hours they work, the job, and the applicable laws. In terms of classification, regardless of salary or hourly pay, the person could be a contractor or an employee. More on this later.

https://www.wrapbook.com/blog/salary-vs-hourly



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- Tins from an HR Specialis
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In-house graphic designer

In-house graphic designers generally work in an organization's creative or marketing department. As an in-house graphic designer, you're usually the sole person with this specialization, or have just a few team members. You work is focused on one industry, though you might still table a range of projects. You also have fixed duties within your position, though there are spicially opportunities to grow into notes with increased responsibility like a senior designer or creative.

In this scenario, the employer handles much of the behind-the-scenes tasks in the business, like budgeting, billing, and getting clients, so you (hopefully) can focus fully on the creative work.

Pros of the job

- $\checkmark\,$ May have employment perks such as paid time off, health care benefits, 40% matches, and
- ✓ More opportunities to climb the corporate ladder and advance your career
- $\ensuremath{\checkmark}$ Hone your expertise with a hyper specific focus on an industry.
- ✓ Gain experience building one company's <u>brand design</u>
- Easy to clarify questions on design projects, since you work in the same space as your client.

Cons of the job

- Variety of tasks and challenges are limited by working with one brand that may already have an established style.
- $\ensuremath{\checkmark}$ Difficult to refuse jobs you may not want to do, especially if you're the only graphic
- Work environment may be challenging because of fewer opportunities to collaborate with colleagues or the need to justify designs to management personnel unfamiliar with graphic designs expended.

Agency graphic designer

Agency graphic designers work for an organization that delivers creative and marketing solutions to companies who either have too much design work to handle themselves or lack the expertise. Graphic designers in agencies work within many industries and niches, usually on numerous types of projects at once.

As with companies using an in-house designer, agencies have departments to take care of the administrative and accounting work that keeps the business running smoothly, leaving you to focus on your design tasks.

Pros of the job

- ✓ May have employment perks such as paid time off, health care benefits, 401k matches, and
- Opportunity to build a portfolio with a variety of project types and showcase work for highprofile clients.
- Allows you to gain skills in various areas of graphic design and build connections in different fields.
- Work alongside others with similar interests and learn new skills and techniques from them.

Cons of the job

- ✓ Pressure can be high, and you're often required to juggle multiple projects and tight
- Less job security, since agencies may cut designers if there aren't enough clients with projects.
- Hours can be long when you need to hit difficult deadlines.

Freelance graphic designer

<u>Freelance graphic designers</u> work as contractors and run their own businesses. While their livelihood depends on creating a steady stream of clients, they have the last say in all aspects of their business. This includes when, where, and how they work, as well as the prices they charge and the type of projects they take on.

While graphic design might be your business, you'll also be spending a good part of your time on marketing, content creation, <u>finding design gips online</u>, and communicating with clients.

You'll also be responsible for billing your clients, an area where <u>Wave Involcing</u> makes easy with professional, <u>customized invoices tempdates</u> you can quickly create—for freet Clients easily pay straight from your invoices you send them with a credit card or bank payment, so you spend less time waiting for your hard-earmed money.

Pros of the job

ONEY

- ✓ Significant freedom in choosing work environments, locations, and schedules.
- ✓ Income potential is limited only by your willingness to work.
- Flexibility in selecting types of projects you work on.

Cons of the job

- Inconsistent income and no employee benefits.
- Must find your own clients, and may have to bid on projects.
- \checkmark Often takes on many roles beyond graphic designer when growing the business.

HE MONEY TALK

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Tips from an HR Specialist

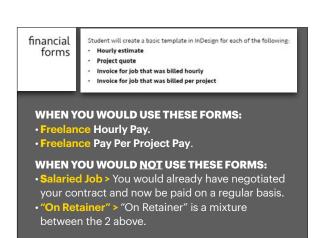
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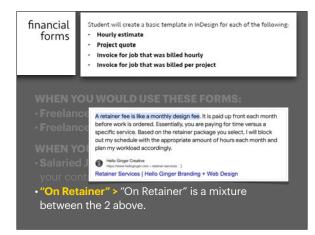
financial forms

Student will create a basic template in InDesign for each of the following:

- Hourly estimate
- · Project quote
- Invoice for job that was billed hourly
- · Invoice for job that was billed per project

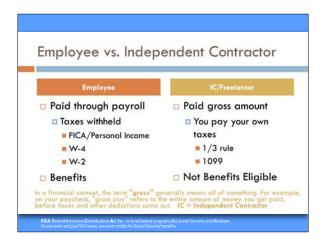




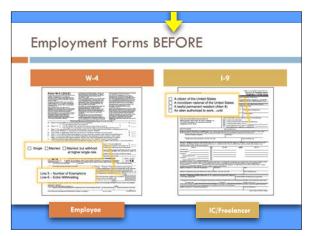


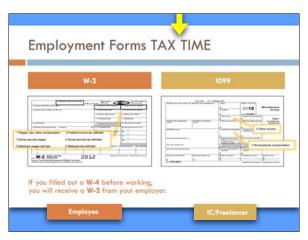


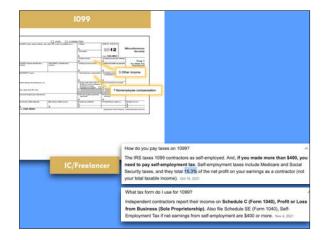












FEDERAL VS STATE TAXES

You must pay federal taxes.

You must also pay state taxes for every state you work and/or live.

For example, every year I pay:

- · Federal taxes
- Tennessee taxes (where I live, own property, and sometimes work)
- · Arkansas taxes (where I work)

https://www.zenefits.com/workest/how-much-does-small-business-health-insurance

FEDERAL vs STATE TAXES

You must pay federal taxes.

You must also pay state taxes for every state you work and/or live.

There have been years where I did work for clients in Colorado and California. The California job made less than \$400, but the Colorado jobs made me more than \$1000. That means I paid:

- Federal taxes
- Tennessee taxes (paid property tax, plus it's where I reside; also I received a W-4 from a yoga studio where I worked and paid taxes)
- Arkansas taxes (where I work and received a W-4 from A-State)
- Colorado taxes (I received a 1099 from at least one of my clients).

But I never did enough work to bother hiring a tax preparer. I just used Turbo Tax, but had to pay for each state's program separately.

HE MONEY TALK

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Most do not offer all of this. The best would offer Medical as a minimum. Benefits These are what I consider to be a minimum: Medical, Dental & Vision 401(k) Insurance Stock Options □ Life/AD&D Insurance □ Tuition Reimbursement □ STD/LTD □ 529 Plan □ FSA/HSA/HRA Adoption Assistance Supplemental Insurance □ Pet Insurance □ Sickness □ Gym Membership Accident □ Mobile Massage □ Cancer □ Long-term Care

What I suggest you take if offered at this time in your life: Benefits Medical, Dental & Vision 401(k) Insurance Stock Options □ Life/AD&D Insurance □ Tuition Reimbursement □ STD/LTD □ 529 Plan FSA/HSA/HRA Adoption Assistance Supplemental Insurance Pet Insurance □ Sickness Gym Membership Accident □ Mobile Massage □ Cancer □ Long-term Care

Medical, Dental & Vision Insurance Life/AD&D Insurance STD/LTD FSA/HSA/HRA Supplemental Insurance Sickness Accident Cancer Long-term Care	 401(k) Stock Options Tuition Reimbursement 529 Plan Adoption Assistance Pet Insurance Gym Membership Mobile Massage

FYI

If you're covered by a parent's job-based plan, your coverage usually ends when you turn 26. But check with the employer or plan. Some states and plans have different rules.

CHOICES IN THE U.S.

NOT HAVING INSURANCE

You pay no money each month, but you must pay in full or get on a payment plan when something happens. To acquire government assistance is not as easy as it sounds, nor is it consequence-free.

PAYING FOR YOUR OWN INSURANCE

fou pay an amount each month to the insurance company no matter what.
Then the amount paid for at appointments, surgeries, etc. is partially or entirely
supered depending on your plan two

HAVING EMPLOYER-PAID BENEFITS

You pay a little each month by having it taken out of your check, but enrollment (cost to have insurance) is always significantly paid for by your employer also. The amount paid for appointments, surgeries, etc. is also reduced greatly depending on your plan. What is covered depends on your plan too.

MEDICAL COSTS WITHOUT INSURANCE

Urgent Care vs. Doctor Care Visit Cost

In general, the average cost of urgent care without insurance ranges from \$80 to \$280 for a simple visit and \$140 to \$440 for a more advanced visit. The average cost for a doctor's visit ranges between \$300 and \$600 without insurance. However, this does not mean that urgent care will always be the cheaper option for seeking care.

MEDICAL COSTS WITHOUT INSURANCE

INSIGHTS

How Much Does Surgery Cost Without Insurance in 2021?

The Cost of Surgery Without Insurance

Paying for surgery out of pocket can vary greatly, costing you between \$4,000 and \$170,000, depending on what surgery you get LASK eye surgery may cost you about \$4,000 because the surgery is less intensive, takes less time to perform, and can be an outpatient procedure, which is less expensive when compared to impatient procedures.

DO YOU KNOW THE DIFFERENCE BETWEEN OUTPATIENT AND INPATIENT?

cost per month

level of coverage.

https://www.talktomia.com/post/how-much-does-surgery-cost-without-insu

Average family health insurance

An insurance premium is the monthly payment

you make to stay enrolled with your insurance

carrier. In 2020, the average cost per month for family health insurance was \$1,152, according to

an average and your premium can vary greatly

our recent study. Keep in mind that this number is

depending on the size of your family, location, and

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Though you may legally stay on your parent's healthy insurance until you are 26, you should **COST OF** attempt to take care of yourself as an adult as soon as you can. Without benefits from an emp (or being a student), the average cost of health insurance in 2024 is \$584/month for single coverage. Though Arkansas is about \$21 lower than this, you shouldn't a **MEDICAL** 2023 cost **INSURANCE** Alabama \$822 Alaska FYI > IF YOU DON'T THINK \$560 MEDICAL INSURANCE IS A BIG DEAL. \$456 Arkansas California \$541 Colorado AND IT'S VERY EXPENSIVE IN THE U.S. \$614 Connecticut \$599 Florida AVERAGE MONTHLY FOR AN INDIVIDUAL WHO IS PAYING \$474 THEIR OWN INSURANCE + THE COST OF CARE (GREATLY REDUCED

COST OF MEDICAL INSURANCE

FYI > IF YOU DON'T THINK MEDICAL INSURANCE IS A BIG DEAL.

IT IS.

AND IT'S <u>VERY</u> EXPENSIVE IN THE U.S.

AVERAGE MONTHLY FOR A FAMILY PAYING THEIR OWN INSURANCE

+ THE COST OF CARE (GREATLY REDUCED)>>

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MEDICAL INSURANCE EMPLOYER-PAID BENEFITS

BELOW IS JUST AN EXAMPLE IF YOUR EMPLOYER HAS THE CHOICE.
BRONZE IS STILL A VERY GOOD FOR EMPLOYER BENEFITS.

Tier	Insurer Pays	Employer/Employee Share
Platinum	90%	10%
Gold	80%	20%
Silver	70%	30%
Bronze	60%	40%

MEDICAL VS. DENTAL

Most health insurance plans don't cover dental care.

Standard health insurance policies usually limit this kind of coverage to dental or oral surgeries that involve:

- diseases to the facial bones
- o physical trauma to the tissue and structures of the face
- o treatment of jaw disorders
- o correction of facial deformities

Some health plans cover more common types of oral surgery, too, such as the removal of wisdom teeth. Even then, though, those wisdom teeth often have to be impacted before they'll pay part of the bill. **MEDICAL VS. VISION**

Regular health insurance protects you from unexpected costs for eye injury or disease. In contrast, vision insurance provides an added wellness benefit for healthy eye exams, which includes routine eye care, prescription eyewer and contact lenses.

Benefits	
Medical, Dental & Vision Insurance Life/AD&D Insurance STD/LTD FSA/HSA/HRA Supplemental Insurance Sickness Accident Cancer Long-term Care	 401(k) Stock Options Tuition Reimbursement 529 Plan Adoption Assistance Pet Insurance Gym Membership Mobile Massage

LIFE / AD&D INSURANCE

Life insurance is a contract between you and an insurance company. Essentially, in exchange for your premium payments, the insurance company will pay a lump sum known as a death benefit to your beneficiaries after your death. Your beneficiaries can use the money for whatever purpose they choose. Aug 24, 2021

An accidental death and dismemberment (AD&D) insurance policy can help protect your family's finances in the event of the loss of your life or limb(s). It can be an affordable way to supplement your life insurance or medical coverage if you're seriously injured or die as a result of an accident.

Benefits

- Medical, Dental & Vision
- Life/AD&D Insurance
- □ STD/LTD
- FSA/HSA/HRA Supplemental Insurance
- Accident Cancer
- Long-term Care

- 401(k)
- Stock Options
- □ Tuition Reimbursement
- □ 529 Plan
- Adoption Assistance
- Pet Insurance
- Gym Membership
- Mobile Massage

STD SHORT TERM DISABILITY VS.



LONG TERM DISABILITY

The Definition of Disability

You should review the definitions section of your policy to find out how "total

Each policy may be different, but in order to qualify for benefits, a person must meet the definition of totally disability. To qualify for short-term disability or long-term disability benefits, your insurance company needs evidence that you are results to short-term.

When you apply for STD benefits, the test for total disability is whether you can perform the duties of your "own occupation" (or a similar occupation, in some

Under most group LTD policies, there are two definitions of disability, the "own occupation" and "any occupation" definition of disability. A person could also have a private LTD policy where the disability test is own occupation only.

A total disability means you are reasonably unable to carry out the normal functions of your usual job, it does not mean that you have to be completely physically unable to do any part of your job, but that your injury or illness is such that you are unable to perform the essential duties of your own occupation.

This is the definition your insurer will go by during the "own occupation" period of your disability. When the own occupation is over, you are considered totally disabled if you are unable to perform any occupation for which you are reasonably suited for or could become suited for.

STD SHORT TERM DISABILITY VS. LTD LONG TERM DISABILITY





How Your Benefit is Calculated

Short-term disability benefits are calculated based on a percentage of your weekly earnings and this percentage can range from 50% to 100% of your earnings, depending on your policy.

Some policies use a tiered system where you receive a higher percentage of your salary for the first few weeks, and a lesser amount for the majority of the STD period, and other policies use the same calculation for the entire period.

Long-term disability benefits are calculated based on a percentage of your monthly earnings and the percentage can typically range from 35% to 70% of your monthly earnings, policy dependent. Depending on your employer, you may have the option to "top up" your benefit and receive a higher LTD benefit. For example, your employer may offer you a "core benefit" of 35% of your monthly earnings and then offer you the option of increasing your benefit if you choose to pay the monthly premiums for it. You may be able to increase your benefit to 60-

Some short-term disability policies may also have optional coverage to top up



STD SHORT TERM DISABILITY VS. LTD LONG TERM DISABILITY

The Waiting Period

The waiting period for STD benefits is relatively short compared to LTD benefits and can be as short as 1 day or as long as 2 weeks. Short-term disability benefits are meant to provide almost immediate financial assistance when you become disabled, whereas LTD benefits could have a waiting period of anywhere from 119 days to 52 weeks.

Typically, if you have coverage for both STD and LTD benefits, LTD benefits would start at the end of the STD period, if you meet the definition of disability. In most cases, STD benefits are meant to cover the duration of the waiting period for long-term disability benefits.

STD SHORT TERM DISABILITY VS. LONG TERM DISABILITY



How Long Benefits Are Paid For

Short-term disability benefits can only be paid for the amount of time set out in the policy. The duration of benefits can range from 15 to up to 52 weeks.

Long-term disability benefits can be paid for a much longer period of time, unless the policy specifies there is a maximum period (i.e. there are some policies that have a 2 year, 5 year, 10 year maximum, depending on the reason for disability if it is a private policy or depending on what the employer chose).





MY ADVICE:

IF YOU ARE PROVIDED THE OPTION. TAKE BOTH.

EVEN IF THAT MEANS MORE MONEY OUT OF YOUR CHECK.

Benefits

- Medical, Dental & Vision Insurance
- Life/AD&D Insurance
- STD/LTD
- □ FSA/HSA/HRA
 - Supplemental Insurance

Long-term Care

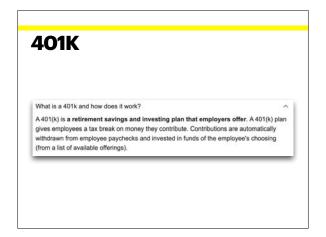
- Sickness
- Accident
- Cancer

- 401(k)
- Stock Options
- □ Tuition Reimbursement
- 529 Plan
- Adoption Assistance
- Pet Insurance
- Gym Membership
- Mobile Massage

FSA · HSA · HRA

Health Savings Accounts (HSAs), Healthcare Flexible Spending Accounts (FSAs), and Health Reimbursement Arrangements (HRAs) each let members use tax-free dollars to pay for qualified medical expenses.

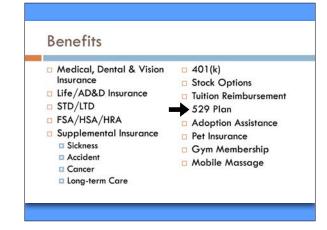


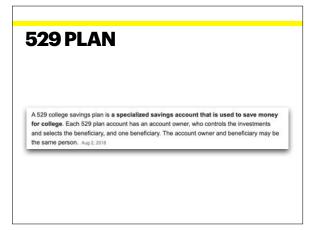




STOCK OPTIONS

Equity compensation, sometimes called stock compensation or sharebased compensation, is a noncash payout to employees via restricted shares and stock options. Employees who received this perk gain stake in their companies, which means they hold partial ownership of the business and its profits. Startups that can't afford to pay out huge salaries often include some form of stock benefits in their hiring packages to make their offers more competitive, and to motivate their employees to do better work.





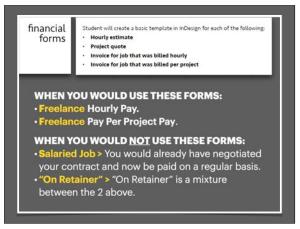


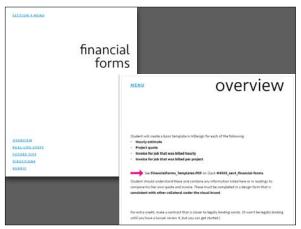


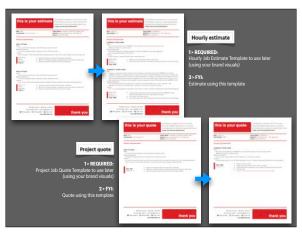




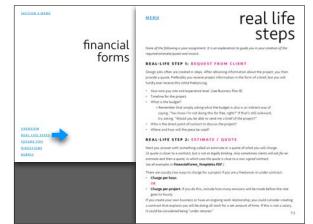


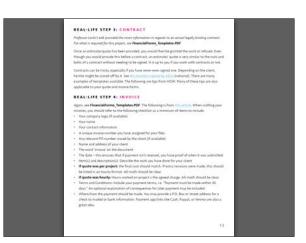












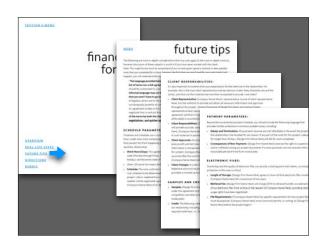
REAL-LIFE STEP So CEITING PAID

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ALSO:

Visual Guidelines Questions? Resumé Questions?