



### **New York State Healthcare Worker Bonus (HWB) Program**

As part of the Fiscal Year 2023 New York State Executive Budget legislation, \$1.2 billion in funding has been allocated for the payment of bonuses for certain frontline healthcare workers. This was made available to recognize the efforts of the health care and mental hygiene workforce and reward them financially for their service during the COVID-19 pandemic. The HWB provision allows for the payment of bonuses to "recruit, retain, and reward health care and mental hygiene workers" meeting specified eligibility requirements. Bonus amounts will commensurate with the number of hours worked by eligible workers covered by the HWB Program during designated vesting periods for up to a total of \$3,000 per covered worker.

#### Qualified Employers

In order to be eligible for these bonus payments, employers must reach the following requirements:

- At least one employee
- Bill for services under the Medicaid state plan or a home or community-based services (HCBS) waiver
- Providers that have a provider agreement to bill for Medicaid services provided or arranged through a managed care organization or a managed long term care plan
- Certain educational institutions and other funded programs

Submission details for qualified employers will differ based on if they are Medicaid or non-Medicaid employers.

Medicaid employers must be currently enrolled and payable through eMedNY and have an active MMIS ID to be able to submit on the HWB Program Portal. Providers who are not currently enrolled with eMedNY should visit the eMedNY website to learn more about how to enroll.

Employers submitting for non-Medicaid employees should submit on the HWB Program Portal utilizing their SFS Vendor ID.

#### Worker Eligibility

New York State has defined a qualified employee as "front line health care and mental hygiene practitioners, technicians, assistants and aides that provide hands on health or care services to individuals".

Qualified employees must meet the following eligibility criteria:

- Must be continuously employed by a qualified employer for the duration of at least one vesting period (see below)
- Must have an employee title included in the list of Eligible Worker Titles
- Must not exceed an annualized base salary (excluding any bonus or overtime pay) of \$125,000, as evidence by an Employee Attestation, which they must complete and return to their employer
- Can be full time, part time, or temporary employees as well as independent contractors
- Must not be suspended or excluded from the Medicaid program during the vesting period

### Bonus Requirements

Once an employer is deemed qualified, and they have employees that are eligible for the bonus payments, they are required to submit claims to be reimbursed by the state and the funds will be distributed out from the state budget. Qualified employers must pay bonuses to the eligible employee(s) no later than 30 days after the bonus amount is paid to the qualified employer.

The amount of bonus payment eligible per employee is based on the hours they work. The breakdown is as follows:

Work an average of 20 to 30 hours per week	\$500
Work an average of 30 to 40 hours per week	\$1,000
Work an average of 35 or more hours per week	\$1,500

### Vesting Period

A vesting period is defined as a series of six-month periods that an employee must continuously be employed by a qualified employer. Eligible employees are eligible up to two vesting periods, for a max bonus amount of \$3,000.

Based on which vesting period the employee is eligible for, the employer has one month to submit the claim on their behalf to be reimbursed.

Vesting Period	Start Date	End Date	Employer Submission Start Date	Employer Submission Close Date
One	October 1, 2021	March 31, 2022	August 3, 2022	September 2, 2022
Two	April 1, 2022	September 30, 2022	October 1, 2022	October 31, 2022
Three	October 1, 2022	March 31, 2023	April 1, 2023	May 1, 2023
Four	April 1, 2023	September 30, 2023	October 1, 2023	October 31, 2023
Five	October 1, 2023	March 31, 2024	April 1, 2024	May 1, 2024

### Taxability of Bonus Payments

These bonus payments are not considered taxable income for New York State personal income tax purposes, nor are they included in compensation for purposes of calculation of public benefits or assistance. Currently, there has been no guidance issued by the IRS related to its taxability for Federal Income tax purposes. However, based on previous comparable situations and absent of any specific guidance, these payments are taxable to the recipients for federal income tax purposes.

New York State will also be reimbursing eligible employers for all FICA and other payroll taxes in addition to the bonus, so employers will not need to go out of pocket for the employer portion of the taxes. Employers should coordinate with their payroll provider to properly comply with and withhold at the federal level, but not at New York State and/or City withholding levels. It is recommended that these bonus payments be issued via a separate check in order to comply with the program guidelines and have a better document trail.

This program is newly enacted and interpretation and clarification on the regulations is forthcoming. As additional information is released by New York State and possibly the IRS, we will provide accordingly.

[NYS Health Care and Mental Hygiene Worker Bonus Program \(HWB\) Employer Attestation](#)

[NYS Health Care and Mental Hygiene Worker Bonus Program \(HWB\) Employee Attestation](#)

[NYS Health Care and Mental Hygiene Worker Bonus Program \(HWB\) Vesting Schedule](#)

[NYS Health Care and Mental Hygiene Worker Bonus Program \(HWB\) Eligible Worker Titles](#)