

Colorado Rural and Small Libraries: Health Stipends Summary

In June 2025, the following question was posed to rural Colorado library directors:

If you provide a health stipend RATHER than employer-paid health insurance, would you be willing to share how much you offer to employees for a health stipend and how that is calculated (based on different hourly employees) or if there is a minimum hours worked/week to qualify for it?

Summary

Seven libraries responded.

- For part-time employees (where specified), stipends range \$100–\$375 per month, with common amounts around \$300/month.
- For full-time employees, stipends range \$400–\$550 per month, with the most common being \$500/month.

The mean is \$332/month for part-time employees and \$513/month for full-time employees in stipends.

Be aware that:

- Under **IRS rules** (Publication 15-B), **fringe benefits** (which include stipends) are generally taxable unless a specific exclusion applies. [IRS](#)
- A health stipend (i.e. cash given to an employee to help with health insurance) is typically treated as **taxable income** (i.e. included in wages) unless it is structured as a qualified benefit under some statutory exclusion. [Thatch+1](#)
- Because the stipend is taxable, both **income tax** (federal) and **payroll taxes** (Social Security & Medicare) often apply. [Thatch+2IRS+2](#)

Dolores Public Library (Dolores, Colorado)

Part-Time Employees: \$300/month

Full-Time Employees: \$500/month

The library director negotiates health insurance as part of the contract, because he does not qualify for coverage on the exchange.

Mancos Public Library (Mancos, Colorado)

- Part time employees: \$300 a month stipend
- Full-time employees: \$500

The Board recently raised this a few months ago as it was \$175 for part time and \$300 for full time. There's been talk of looking into an HSA, but no movement on that yet.

Ruby Sission Memorial Library (Pagosa Springs, Colorado)

RSL pays a \$500 per month stipend to FT staff to purchase health insurance. PT staff do not receive this benefit.

Ignacio Community Library (Ignacio, Colorado)

ICL switched to a stipend in January 2025. Our reasoning:

Cost was increasing, coverage wasn't. Staff decided as a group to not have the group health insurance, asked the board for the stipend instead and that way they are free to make their own decisions.

The stipend is now \$550. Before this the board paid the first \$500 of our insurance bill per month. They added the \$50 to offset tax increases.

East Morgan Community Library District (Brush, Colorado)

We provide a stipend. Here are some points from our perspective:

- Most of our staff had health care through spouses/parents, so the Board decided quite some time ago to offer the "Health Stipend."
- The ACA disallowed that phrasing. So, we now just call it a "stipend."
- We give full-time one amount and part-time half that.
- We cut the amounts in half a couple of years ago because our bookkeeper was hearing that the federal government might do away with the option. When we cut it in half, we raised the staff's base salary to keep their same amount of pay. It used to be \$1,500/mo for full-time and \$750/mo for part-time.
- We now give \$750/mo for full-time and \$375/mo for part-time.
- New staff must work 3 months at that number of hours, then can receive it on the 4th month. The full policy is available.
- Of note, we periodically ask the staff if they would like to receive health insurance instead. So far, no one wants to give up the stipend for the health care option.

From the personnel manual: If you are employed by the East Morgan County Library District on a regular, full-time or part-time basis, you are eligible for a taxable stipend in lieu of health care. Your stipend will begin the first day of the fourth full month of you eligible employment with the East Morgan County Library District. The East Morgan County Library District will not provide coverage. The average of hours worked is based on the most recent three month period. Full-time is 32 hours per week or more, and eligible part-time is 20-31 hours a week. There is no stipend provided for staff working less than 20 hours per week. The stipend amount is based on the current budget. Eligible part-time employees will receive half of the amount that eligible full-time employees receive.

West Custer Library District (Westcliffe, Colorado)

1. All employees working a regularly scheduled 16 hours or more per week are considered eligible for a yearly health stipend paid quarterly. The amounts of the stipends are as follows:

- a. Employees who work an average of 16 hours per week per quarter: \$1,200 per year, or \$300 per quarter.
- b. Employees who work an average of 20 hours per week per quarter: \$3,000 per year, or \$750 per quarter.
- c. Employees who work an average of 24 hours per week per quarter: \$3,600 per year, or \$900 per quarter.
- d. Employees who work an average of 28 hours per week per quarter: \$4,200 per year, or \$1,050 per quarter.
- e. Employees who work an average of 32 hours per week per quarter: \$4,800 or \$1,200 per quarter.
- f. Full time employees are eligible for an annual stipend paid incrementally per pay period equal to the estimate of an insurance premium quote submitted to the Board of Trustees in the prior year. The total amount is per the discretion of the Board of Trustees.

Amounts are set by the Board.

Northern Saguache County Library District (Saguache and Crestone)

The Library District does not offer a traditional health insurance plan, but instead, offers a Workplace Wellness Policy.

The purpose of the Northern Saguache County Library District Workplace Wellness Policy is to support library staff in making healthy lifestyle choices. This is to help improve your own personal well-being and create a healthy workplace. We believe that individual and community well-being are connected and that good health matters to you, to the library, and to your community.

The Northern Saguache County Library District Workplace Wellness policy promotes employee health and wellness by providing a quarterly financial payment distributed equally to all eligible employees. It may be used at the discretion of the individual employee, with the intention of supporting library staff in making conscious choices towards a balanced and healthy lifestyle. These may span The Seven Dimensions of Wellness: Social, Physical, Emotional, Career, Intellectual, Environmental and Spiritual.

The Workplace Wellness Policy provides for quarterly payments of \$1,000 to all employees who work over 20 hours/week.