

Travel Nurse Vocabulary that Nurses Should Consider Knowing

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MURRAY, UTAH, UNITED STATES, July 19, 2022 /EINPresswire.com/ -- For those new to the travel nursing world, or simply investigating the idea, this article will help when encountering the jargon. The medical industry contains a multiverse of jargon, abbreviations, and acronyms that causes eyes to cross and eyebrows to rise in confusion. Odds are high that some of these terms are already familiar. Nevertheless, this is a thorough review of the [common vocabulary that one might find in travel nurse job postings, contracts, and discussions with a recruiter.](#)

All About the Money, Money!

We'll address the topic of how one might be padding their bank account first. After all, a distinct number of nurses are considering the switch to travel nursing due to all the media attention travel nursing has received throughout the pandemic, right? Let's jump on it.

Blended Rate – In the world of travel nursing, one might often see a sizeable hourly rate on job postings. What one is typically seeing is what is called a blended rate. The blended rate is actually a formula that combines the simple hourly rate for the work (which is the taxable income) with the reimbursements and stipends that one may receive (which are the non-taxable amounts).



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Reimbursements – For some of the accrued costs associated with travel, meals, and even city transportation one may be able to submit receipts for reimbursement (receive money back). Each travel nursing agency has different processes for this type of financial transaction so one will want to discuss with a recruiter what method or platform the agency uses. Moreover, most agencies also have a cap or a maximum amount that they are willing to reimburse. Again, questions for details on this topic is encouraged!

Stipends – While some agencies apply financial assistance to travel nurses for their travel expenses via reimbursements, others simply offer a stipend. A stipend is a set amount of money (non-taxable) provided to one for the cost. Stipends are the form of financial assistance most often used by agencies for housing costs.

Shift Differential – Some shifts (often night shifts or holiday shifts) offer a shift differential, which is additional padding to the hourly rate for the shifts. Shift differential is less common in the travel nursing umbrella, so if one sees it in a job posting, read the fine print carefully. It may be motivated by an extreme need for the facility.

Missed Hours Penalty – We strongly advise against missing any contracted shifts, however, if the situation arises be warned that one will likely incur a penalty. In the case of a missed hours penalty, one will be docked the hours for the shift, likely also an amount of the stipend or benefits.

Bonuses – Likely, everyone knows what a bonus is, yet what one might not know is that it has tax implications. Bonuses are taxable. Not only are they taxable, but they are often taxed at a higher rate. The IRS identifies a bonus as a supplemental income thereby classifying it to be taxed at a higher rate of withholdings. A bonus could also bump one into a higher tax bracket, in which case one should talk to a tax advisor about having the bonus deferred for a year. If one sees a large bonus in a contract, talk to a recruiter to ask if one might have any room to negotiate instead for a higher stipend or reimbursement cap.

Employee Types and Taxes

Here, we'll dig into what type of employee one technically is. This is especially important when it boils down to taxes.

W-2 Employee – Does a travel nursing agency have a W-2 on file for the nurses working for them? If so, this means that the agency is withholding payroll taxes for them. When tax season comes around, W-2 employees typically owe less or even receive a refund at tax time.

1099 Contractor – If one is an independent contract employee this means at tax time they will receive a 1099 tax form. This means zero payroll taxes have been withheld from their taxable earnings throughout the year, meaning comes tax time they will likely have an amount due for the IRS.

Payroll taxes – Payroll taxes are withheld from W-2 employees on their earnings throughout the calendar year. This group of taxes includes mandatory contributions to Social Security, Medicare, and additionally income taxes.

Per Diem – When a traveling clinician works per diem, this means they pick up shifts at a medical facility on an as-needed basis, not on a set schedule or routine. This is routinely posted or advertised as PRN. Typically, PRN shifts are paid out as independent contract work, so even if one has a W-2 on file with their agency, they will most likely receive 1099 at tax time as well for any additional PRN shifts the nurse picks up.

Tax Home – Travel nurses simply must have what is called a tax home in order for the stipends and reimbursements to classify as non-taxable income to the IRS. This means one will need a home base in between assignments. The reason those portions of income are considered non-taxable is that the IRS identifies travel nurses (who have a tax home) are incurring double costs.

Guaranteed Hours – Look for job postings that offer guaranteed hours.

Day/Night Rotate – Often posted as a D/N acronym this means within the contracted period one will be expected to work both day and night shifts, possibly even within the same week.

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