

IRS Fringe Benefit Summary

Hospitalization Waivers

Added to employee wages at time of payment.

If part of the annual payment, no action is required by the department. The Auditor's office receives a list of payees from the County Commissioner's office in December. The Auditor's office will process payments from the Commissioner's list.

If the employee is terminated or leaves employment prior to year end, the Department Head will receive a notice from the Commissioner's office notifying them of the waiver. This amount should be added to payroll via the Misc. Employee Pay sheet.

A separate check is issued through payroll. Payment is taxed for Federal, State, Medicare, City Income (if applicable), and School District Income Tax (if applicable).

PERS Refund

PERS notifies the Auditor of any refunds. Refund is paid through payroll. No action is required from Department. Payment is taxed for Federal, State, Medicare, City Income (if applicable), and School District Income Tax (if applicable).

Cell Phones

Taxed Two Ways:

1. Taxed through payroll on a bi-weekly basis.
2. Added to W2 after receipt of an affidavit. Completed by employee in November.

Department Heads are responsible for distributing affidavits to qualifying individuals in November for the previous November 1st to October 31st. Upon receipt of the affidavit, the Auditor's office will add the taxable amounts to the employee's W2. No further action required by the departments.

If the employee is terminated or leaves employment prior to October 31st, the Department Head is responsible for having the employee complete the affidavit for the time period of November 1st through their last day of employment. This affidavit should be submitted with the Misc. Employee Pay sheet, adding the taxable amount to the employee's W2.

Amount is taxed for Federal, State, Medicare, City Income (if applicable), and School District Income Tax (if applicable).

Vehicle Use

Taxed Three Ways:

1. Elected officials are taxed via the Lease Value valuation.
2. Vehicle used for commuting only. Taxed via the Commuting method.
3. If personal use is allowed, taxed via the lease value valuation or cents per mile method.

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Amount is taxed for Federal, State, Medicare, City Income (if applicable), and School District Income Tax (if applicable).

Uniforms

If suitable to replace everyday wear, the cost of the uniform is taxable. This includes uniforms provided through uniform companies (i.e., Cintas)

Police uniforms, fire bunker gear and safety wear, (steal-toe boots, eyewear) are exempt.

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Meals

Under IRS guidelines, any meal that is provided to an employee while not in “Travel Status” or as an integral part of a business meeting is taxable. To be considered in Travel Status, there must be an overnight stay.

Spaces have been added on the Travel Encumbrance form to indicate the time of departure and return. For those departments that do not use the standard travel encumbrance form, please add these fields to your forms.

For Business meeting meals, the following must be written on the original receipt:

1. Who Attended – First and Last names, written legibly.
2. Purpose of Meeting
3. Date of Meeting
4. Place of Meeting

No meal receipts will be paid without this documentation.

Meals provided as part of conference are not taxable.

All other meal reimbursements are considered taxable. Department Heads are responsible for distributing affidavits to qualifying individuals in November for the previous November 1st to October 31st. Upon receipt of the affidavit, the Auditor’s office will add the taxable amounts to the employee’s W2. No further action required by the departments.

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Amount is taxed for Federal, State, Medicare, City Income (if applicable), and School District Income Tax (if applicable).

Awards

Two types of awards are NOT taxable:

1. Safety Awards
2. Length of Service

Award must be personal property (i.e., plaque, watch, etc), cannot be cash or cash equivalent (i.e., gift cards or certificates)

All other awards must be added to the employee’s W2 via the Miscellaneous Employee Pay form, in the same month that the award was given.

Amount is taxed for Federal, State, Medicare, City Income (if applicable), and School District Income Tax (if applicable).