



The following is a summary of the filing requirements for employee fringe benefits as of December 31, 2023. Please read this carefully and in its entirety. If you carry company-owned vehicles on your books, this letter requires your immediate attention.

Fringe Benefits

A fringe benefit is a form of pay for the performance of services. For example, you provide an employee with a fringe benefit when you allow the employee to use a business vehicle to commute to and from work. Employers are required to include the value of certain fringe benefits as income on an employee's Form W-2 (Wage and Tax Statement).

The fringe benefit income inclusion items may be aggregated with the employee's salary and included on one Form W-2 or may be included in a separate Form W-2. **The fringe benefit income inclusion amount is subject to payroll withholdings and the amount must be included in a payroll processed before the end of the year.**

We have provided a partial list of reportable fringe benefits below. Please refer to [IRS Publication 15-B](#), Employer's Tax Guide to Fringe Benefits, for a more comprehensive list and the latest information related to fringe benefits.

Fringe Benefits Included in Employee W-2 Gross Wages and Subject to Employment Taxes (Not All Inclusive)

Most Common:

1. Personal use of company automobile.
2. Employer-paid group-term life insurance for coverage exceeding \$50,000.
3. All moving expense reimbursements were suspended until 2026, except for members of U.S. Armed Forces on active duty who move because of a permanent change of station due to a military order.
4. Transit passes, commuter highway vehicle transportation, and qualified parking exceeding \$300 per month.
5. Qualified bicycle commuting reimbursements were suspended until 2026.
6. Meals, except if furnished on the employer's business premise for employer's convenience.
7. Lodging, except if furnished on the employer's business premise, for employer's convenience, and as a condition of employment.



8. Employee achievement awards exceeding \$1,600 for qualified plan awards (\$400 for nonqualified awards).

Less Common:

9. Personal use of employer-provided aircraft.
10. Interest on below-market employee loans (Sec. 7872).
11. Employer-paid IRA contributions.
12. Profit realized on premature sale of stock acquired under an incentive stock option plan.
13. Discriminatory employer-provided group health insurance that does not qualify for exclusion from gross income.
14. Excess medical reimbursement for discriminating self-insured plans.
15. Employer-provided educational assistance exceeding \$5,250.
16. Dependent care assistance exceeding \$5,000 (\$2,500 for married employees filing separate return).
17. Adoption assistance.
18. Contribution on a health FSA in excess of \$3,050 or HSA family coverage of \$7,750 (self-coverage of \$3,850).

In addition to the above items, the following must be included in a >2% S Corporation shareholder's W-2:

Most Common:

19. Employer-paid accident and health plan premiums.
20. All employer-paid life insurance premiums.

Less Common:

21. Sec. 125 cafeteria benefit plan amounts.
22. Employee achievement awards.
23. Adoption assistance.