

Employee Compensation and Benefits

Course Description

The various ideas, methods, and techniques to optimize the overall compensation package for key employees and principals are examined in this mini-course. Generally, businesses may deduct employees' pay including wages, salaries, and other perks. Certain fringe benefits that can provide an unusually tax favored manner of supplementing compensation are described and evaluated. In addition, equity participation is explored through stock sales, repurchase agreements, incentive stock options, ESOT's, stock options, and bonuses. Finally, deferred compensation arrangements are investigated. The goal of this mini course is to provide participants with a working knowledge of types of compensation necessary to structure a compensation package minimizing tax liabilities and cost.

Completion Deadline & Exam: This course, including the examination, must be completed within one year of the date of purchase. In addition, unless otherwise indicated, no correct or incorrect feedback for any exam question will be provided.

Course Level: Overview. This program is appropriate for professionals at all organizational levels.

CPE Credits: 4 (CPA, EA)

Category: Taxation

Prerequisite: General understanding of federal income taxation.

Advanced Preparation: None

Course Learning Objectives

Lesson 1: Employee Compensation & Benefits

1. Identify the common-law rules used by the IRS to determine whether a person is an employee for purposes of FICA, FUTA and federal income tax withholding.
2. Recognize employee and officer compensation deductibility factors and the related employment taxes and reporting obligations to ensure compliance with regulations.
3. Identify fringe benefits noting those that provide deductible incentive based employee compensation.
4. Specify the equity incentive opportunities available to employers showing the variety, tax treatment, and use of stock plans.
5. Recognize the use of deferred compensation agreements to attain compensation and retirement objectives.