

Fringe Benefits

Course Description

This course is an overview of basic fringe benefits and examines their mechanics, compensation methods, valuation, withholding, and accounting. Achievement awards, term life insurance, medical reimbursement, meals & lodging, educational assistance, dependent care, employer-provided automobiles, interest-free loans, etc. are identified. Employer and employee economic and tax considerations are recognized. Fringe benefit requirements and limits are specified and ERISA compliance requirements are determined.

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: Taxes

Prerequisite: General understanding of federal income taxation.

Advanced Preparation: None

Course Learning Objectives

1. Recognize basic fringe benefit planning by determining “income” under §61, and identify the differences between former nonstatutory and current statutory fringe benefits created by recent cases, rulings, and tax law changes.
2. Specify the mechanics of typical fringe benefits, determine the fair market value of a fringe benefit under the general valuation rule or the special valuation rules, and identify the general accounting rule and the special two-month pour-over accounting rule.
3. Identify an “employee achievement award” under §274, and recognize the rules for group term life insurance under §79 noting how to implement proper coverage.
4. Determine the mechanics of self-insured medical reimbursement plans under §105, and specify the requirements of medical insurance under §106 noting differences.
5. Identify the rules for excluding the value of meals and lodging under §119, and “cafeteria plans” and how they operate.
6. Recognize the requirements and limits of employee educational assistance programs and dependent care assistance noting how to obtain each type of assistance.

7. Identify “no-additional-cost services” and determine what property or services are excludable from income as qualified employee discounts under §132(c), and specify exceptions to working condition fringes and de minimis fringes.
8. Determine the requirements for qualified transportation fringe benefits under §132(f), specify valuation methods for employer-provided automobiles and, identify the qualifications for the popular physical fitness exclusion, and the requirements and benefits of adoption assistance programs.
9. Recognize planning services available under §§132, 212 and 67, determine interest-free and below-market loans, identify child care benefits and corporate funded educational savings accounts, specify S corporation fringe benefits, and identify ERISA compliance requirements.