

FSU Foundation - Taxation Rules for Fringe Benefits

Revised September 28, 2013

Type of Fringe Benefit	Income Tax Withholding	Social Security and Medicare	Reporting Frequency
Awards, Prizes, and Gifts			
Length of Service Awards / Safety Awards	Exempt up to \$1600 for qualified plan ¹ awards (\$400 for nonqualified awards) for any one person in a calendar year		Within 30 days of occurrence
Gift Certificates / Gift Cards	Taxable	Taxable	Within 30 days of occurrence
Other Non-cash Awards if > \$100 value	Taxable	Taxable	Within 30 days of occurrence
Club Memberships - Personal Use	Taxable	Taxable	Annually - Dec 1 - Nov 30
De minimis (minimal) Benefits ²	Exempt	Exempt	Within 30 days of occurrence
Moving Expense Reimbursements			
Qualified Moving Expenses ³	Exempt	Exempt	Within 30 days of occurrence
Nonqualified Moving Expenses ⁴	Taxable	Taxable	Within 30 days of occurrence
Tickets to any Event (musical, sport, theatre, etc.)	Taxable	Taxable	Within 30 days of occurrence
Travel Expense Reimbursements			
Employee - Accountable Plan ⁵	Exempt	Exempt	Within 30 days of occurrence
Spouse / Guest(s) Travel Expense ⁶	Taxable	Taxable	Within 30 days of occurrence
Cruise Travel Expense ⁷	Taxable	Taxable	Within 30 days of occurrence
Non-return of Advances in Excess of Substantiated Expenses ⁸	Taxable	Taxable	Within 30 days of occurrence

¹ A plan is considered qualified if it does not discriminate in favor of highly compensated employees and is a written plan that has been put in place by the employer on a regular basis.

² A de minimis fringe benefit is defined as any property or service the value of which is (after taking into account the frequency with which similar fringes are provided by the employer to its employees) so small as to make accounting for it unreasonable or administratively impracticable. The provision of any cash or cash equivalent fringe benefit is not excludable as a de minimis fringe.

³ Qualified moving expenses: expenses incurred in moving household goods and personal effects from the employee's old residence to the new residence, and traveling (including lodging but **NOT** meals) from the old residence to the new residence, provided the residences are greater than 50 miles apart.

⁴ Nonqualified moving expenses: house hunting trips, temporary living expenses, any meals connected with the relocation, real estate transactions, more than one trip from the old residence to the new residence, selling (or settling an unexpired lease on) the old residence and buying (or acquiring a lease on) the new residence

⁵ An accountable plan must meet the following three requirements: 1. Business Connection: Expenses must be business related. 2. Substantiation: The employee must substantiate, "within a reasonable period of time," the expenses with a detailed record of the expense including the date, business purpose, place, and amount of the expense. 3. Return of Unsubstantiated amounts: The employee must return, within a "reasonable time," any advances that exceed the employee's substantiated expenses.

⁶ Exceptions: 1. There is a substantial business purpose for the person accompanying the employee. (Written approval by the employee's immediate supervisor is required. Detailed itinerary documenting business purpose is required) 2. The university incurs no additional costs attributable to the person(s) accompanying the employee. *(This exception is generally applicable to chartered transportation arrangements and shared lodging.)*

⁷ Cruise travel on a foreign registered vessel or to a foreign port for the purpose of attending an onboard convention is fully taxable and will be included on the employee's W-2.

⁸ Any advances that exceed the employee's substantiated expenses, not returned, are fully taxable and will be included on the employee's W-2.