

TAXABLE FRINGE BENEFITS

Auto, Group Term Life, Employee Business Expense

You must submit/process all fringe benefits on or before your final check date for the fringe amounts to be included as income on the employee's W-2 for:

Auto

Personal use of company vehicle

Group-Term Life Insurance

The amount included in wages is the cost of group-term life insurance you provided to your employees for more than \$50,000 of coverage.

Employee Business Expense

Total reimbursements

- for the employee business expense if your employee does not account to you (by receipts or other evidence) for those expenses; or you advance an amount to your employee for business expenses and do not require any amount not used to be returned.

Partial reimbursements

- for the employee business expense if you reimburse your employee an amount greater than the government specified rate for mileage and per diem travel. Only the amount greater than the specific rate is in taxable wages. You must also report to Paytime the portion equal to the government rate. This information will be reported on the W-2 for employee information only.

All information to be included as W-2 wages must be reported to Paytime BEFORE your final 2018 scheduled payroll is processed. Please notify your accountant as to when your last payroll is scheduled and to inquire about year end fringes. Payrolls processed after 12/31/18 will incur a \$500.00 processing fee. After 1/04/19, the processing fee will be \$1000.00.

Third Party Sick Pay

Federal legislation requires the reporting of SICK PAY payments made to employees from third party as well as any taxes withheld on those payments. These payments must be included on the employee W-2, or on a separate form provided by the third party.

Important: Be sure to obtain this information from the appropriate third party provider as soon as possible. These entries must be processed on or before your final 2018 scheduled payroll to ensure that the Employer's Quarterly Federal Tax Return and W-2s are accurate. To avoid additional processing fees, please contact your CSR immediately if you know that third party sick pay will not be received by 12/31/18.