Fringe Benefits: What Are They and How to Manage Them

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What are Fringe Benefits?

- A form of pay for the performance of services
 - Examples include:
 - Use of company vehicle to commute to/from work
 - Group Term Life
 - Car Allowance
 - 3rd Party Sick Pay

• https://www.irs.gov/pub/irs-pdf/p15b.pdf

De Minimis Benefits

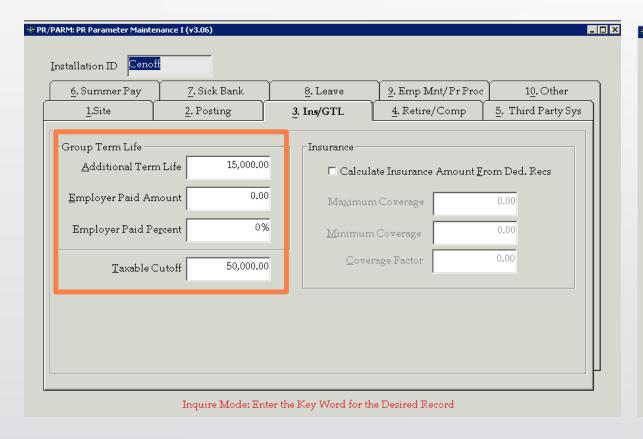
- Meaning, the benefit or service has such little value that accounting for it would be unreasonable or administratively impracticable.
 - Examples include:
 - Personal use of employer provided cell phone
 - Personal use of copy machine
 - Meals provided during work day
 - Occasional parties

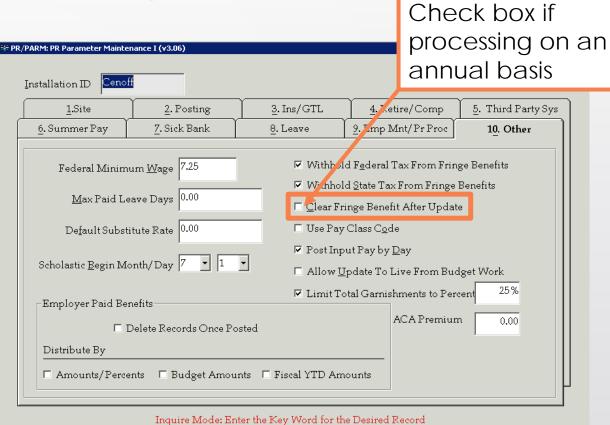
Cash and cash equivalents are **ALWAYS** taxable no matter how small!

Managing Fringe Benefits in Nextgen

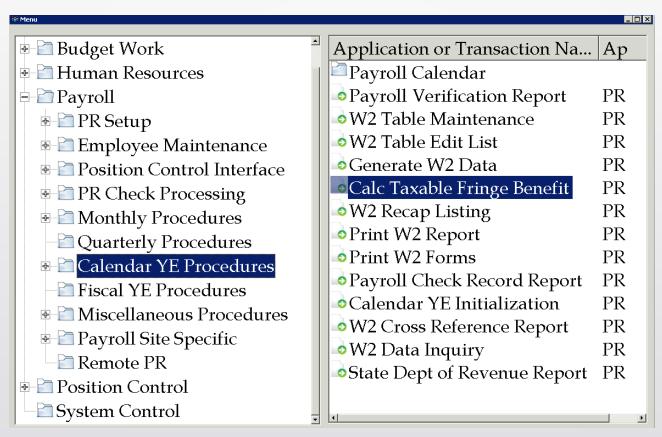
- How often will fringe benefits be included in payroll calculation:
 - Monthly
 - Calculate every January
 - Employee's tax base minimally affected
 - Annually
 - Calculate for the month you choose to include in payroll calculation
 - Employee's tax base increases for the full amount
 - Can easily be "forgotten"
 - Employees not employed at time of processing will not be taxed

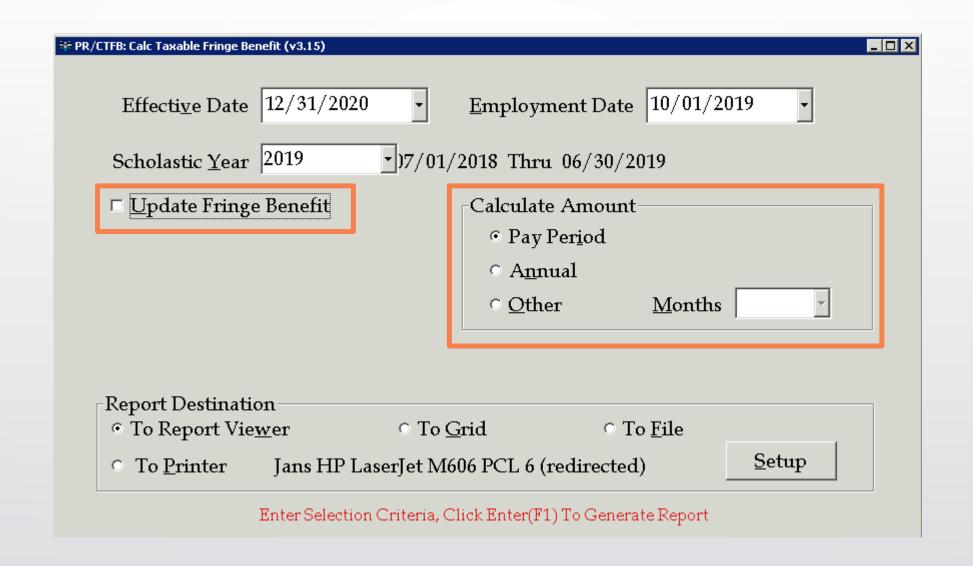
Fringe Benefit Settings





Calculating Group Term Life

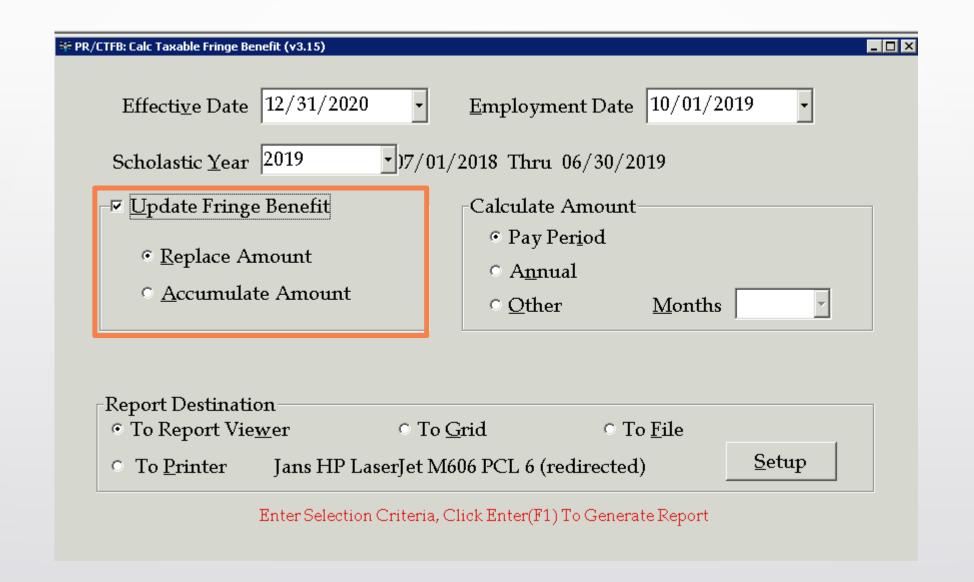


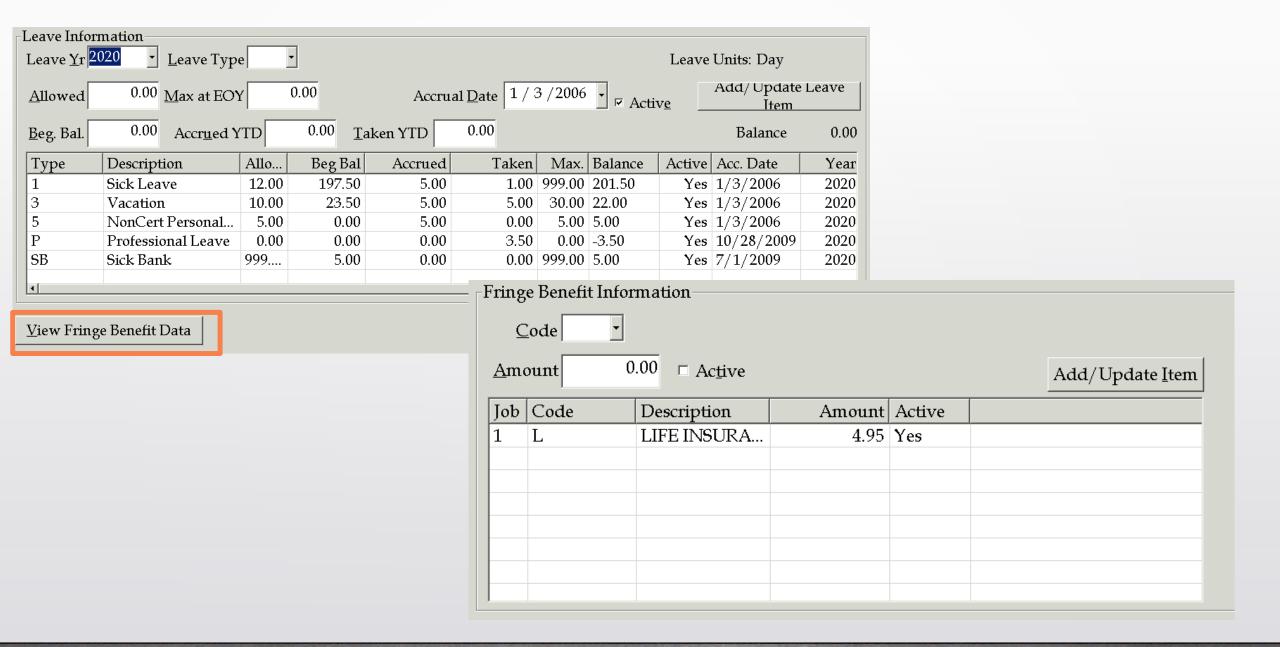


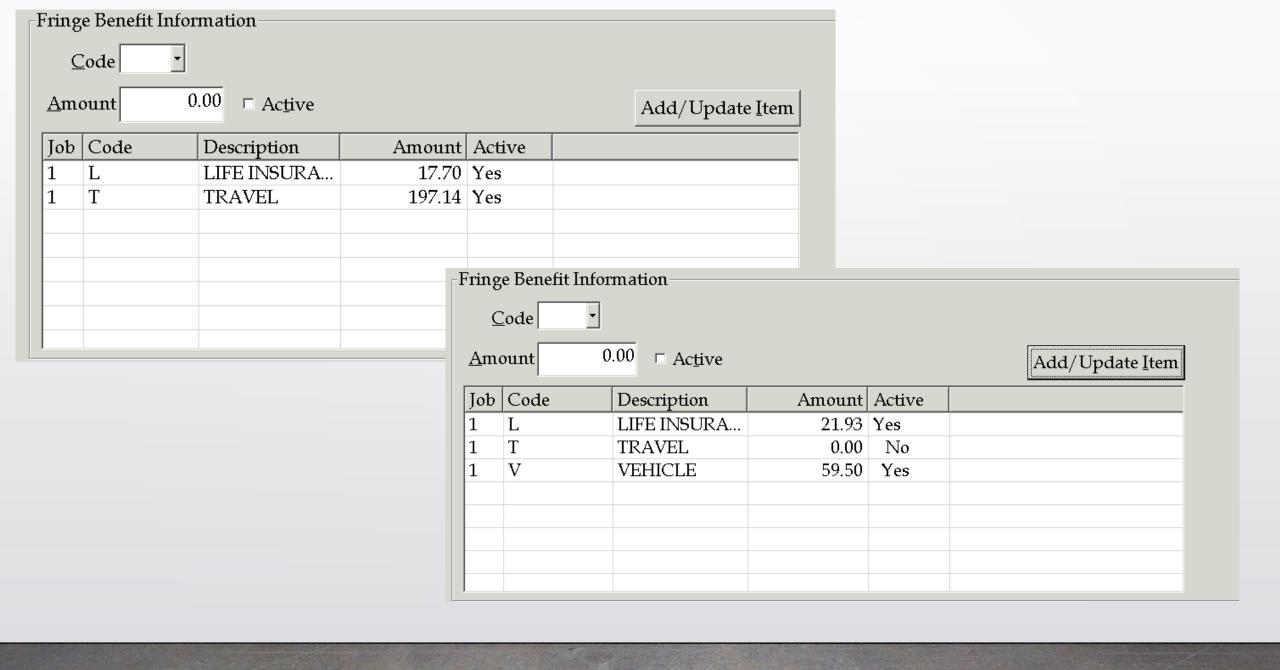
- Effective Date: Will always be 12/31 of the current year.
- Scholastic Year: Will be the fiscal year prior to the current year.
 - Example for calendar year 2020, the scholastic year will be 2019.
- <u>Employment Date</u>: This is up to your district. Anyone hired after this date will excluded from the calculation.
- Select the Pay Period option to use in the Calculate Amount box.
 - Pay Period processes during every pay period processed
 - Annual processes for only the month your run this job
 - Other lets you choose how many months to include in calculation
- Always run the transaction as report only to verify the data calculated

								PAY PERIOD
<u>EMPL</u>	NUM EMPLOYEE NAME	<u>EMPLOYED</u>	<u>BIRTHDAY</u>	<u>Age</u>	<u>JOB</u>	INSURANCE AMT	TAXABLE UNITS	FRINGE BEN
		01/07/2019	12/07/1973	47	1	21,536.43	0.00	0.00
		08/03/2016	06/30/1991	29	1	56,521.50	7.00	0.42
		08/04/2011	05/26/1984	36	1	64,907.82	15.00	1.35
		01/25/2018	12/28/1954	66	1	29,950.37	0.00	0.00
		08/02/2018	03/04/1969	51	1	33,772.51	0.00	0.00
		08/06/2007	08/05/1964	56	1	76,146.16	26.00	11.18
		08/04/2014	07/14/1974	46	1	80,876.98	31.00	4.65
		08/10/2009	09/20/1985	35	1	69,686.22	20.00	1.80
		08/05/2004	12/17/1970	50	1	72,150.68	22.00	5.06
		08/07/2018	05/07/1995	25	1	29,756.10	0.00	0.00
		12/20/2004	09/09/1964	56	1	47,914.72	0.00	0.00
		10/03/1988	08/28/1961	59	1	50,731.80	1.00	0.43
		08/03/2010	12/14/1986	34	1	66,790.32	17.00	1.36
		08/02/2018	03/15/1997	23	1	48,829.70	0.00	0.00
		01/20/2017	06/12/1954	66	1	29,928.20	0.00	0.00
		01/03/2013	01/06/1976	44	1	73,028.54	23.00	2.30
		08/03/2017	02/29/1956	64	1	34,820.40	0.00	0.00
		11/04/2010	11/03/1956	64	1	133,165.92	83.00	54.78
		07/24/2007	11/20/1983	37	1	78,445.20	28.00	2.52
		12/01/2002	04/18/1981	39	1	76,440.38	26.00	2.34
		08/02/2018	05/02/1966	54	1	61,831.50	12.00	2.76
		08/03/2005	08/10/1958	62	1	92,337.77	42.00	27.72
		08/04/2008	10/29/1964	56	1	30,741.30	0.00	0.00
		08/10/2012	10/03/1982	38	1	67,960.68	18.00	1.62
		08/03/2010	06/15/1978	42	1	80,883.48	31.00	3.10
		11/30/1990	07/10/1964	56	1	95,740.08	46.00	19.78
		02/08/1999	01/02/1970	50	1	48,782.16	0.00	0.00
		10/30/1990	09/07/1963	57	1	42,285.66	0.00	0.00
l		08/05/2004	02/04/1965	55	1	114,359.04	64.00	27.52

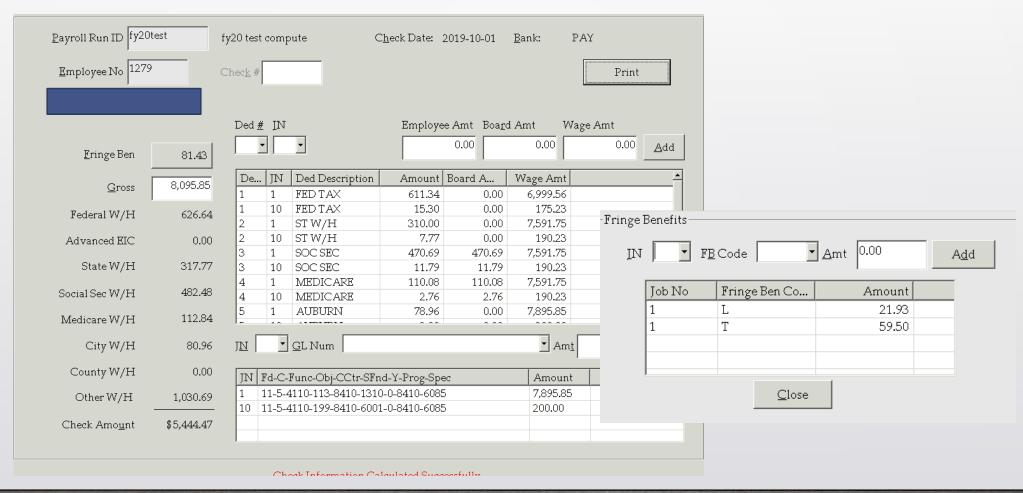
Annualized \$657.36

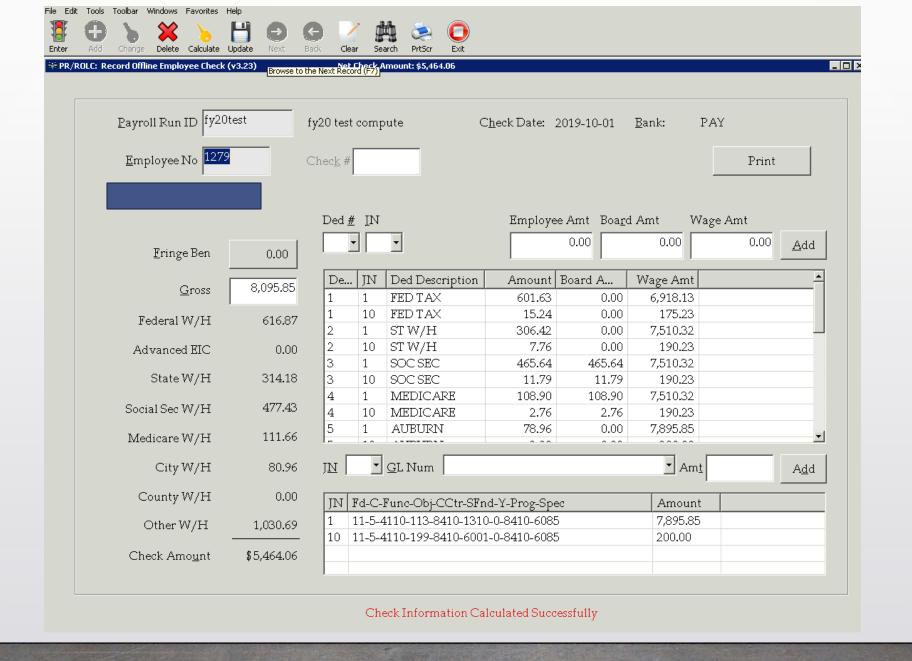






Fringe Benefits and Off Line Check Processing





Number of W2's	1,379	W2 Deduction	Amount	
Federal Wages	41,334,839.48	Fix Wages - Do Not Pri	50.75	Than I
Federal Wages Federal Income Tax Social Security Wages Social Security Contribution Medicare Wages Medicare Contributions Advance EIC Payments State Wages State Income Tax City Wages City Tax	41,334,839.48 3,178,792.72 44,805,266.09 2,777,926.56 44,922,241.55 651,372.16 0.00 44,618,944.52 1,759,810.38 47,551,456.98 475,511.25	Fix Wages - Do Not Pri Group Life Fringe Bene Charitable Contributio Professional Dues Section 457 Plan Vehicle Fringe Benefit Dependent Care Section 414(h) Plan Section 125 (Cafeteria Empr Spnsrd Health-B Section 403(b) Plan	30,041.61 - 15,421.30 135,382.79 201,778.03 17,451.36 - 54,054.27 3,284,105.04 2,622,654.13 - 9,311,976.09 101,519.00	****
County Wages	0.00			
Back County Tax	0.00			

W2 Data Generated and Magnetic Media File Exported.

Please Print This Screen for Future Reference.

(Note: If Using the PrtScr Button on the ToolBar, You Must Print the Form and Print the ListView.)