



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

PR/PARM: PR Parameter Maintenance I (v3.06)

Installation ID

6. Summer Pay 7. Sick Bank 8. Leave 9. Emp Mnt/Pr Proc 10. Other

1. Site 2. Posting 3. Ins/GTL 4. Retire/Comp 5. Third Party Sys

Group Term Life

Additional Term Life

Employer Paid Amount

Employer Paid Percent

Taxable Cutoff

Insurance

Calculate Insurance Amount From Ded. Recs

Maximum Coverage

Minimum Coverage

Coverage Factor

Inquire Mode: Enter the Key Word for the Desired Record

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Installation ID

1. Site 2. Posting 3. Ins/GTL 4. Retire/Comp 5. Third Party Sys

6. Summer Pay 7. Sick Bank 8. Leave 9. Emp Mnt/Pr Proc 10. Other

Federal Minimum Wage Withhold Federal Tax From Fringe Benefits

Max Paid Leave Days Withhold State Tax From Fringe Benefits

Default Substitute Rate Clear Fringe Benefit After Update

Scholastic Begin Month/Day Use Pay Class Code

Post Input Pay by Day

Allow Update To Live From Budget Work

Limit Total Garnishments to Percent

Employer Paid Benefits

Delete Records Once Posted ACA Premium

Distribute By

Amounts/Percents Budget Amounts Fiscal YTD Amounts

Inquire Mode: Enter the Key Word for the Desired Record

Check box if processing on an annual basis

Calculating Group Term Life

The screenshot shows a software menu window with two panes. The left pane is a tree view showing a hierarchy of folders. The right pane is a list of items with two columns: 'Application or Transaction Na...' and 'Ap'.

Left Pane (Tree View):

- Budget Work
- Human Resources
- Payroll
 - PR Setup
 - Employee Maintenance
 - Position Control Interface
 - PR Check Processing
 - Monthly Procedures
 - Quarterly Procedures
 - Calendar YE Procedures**
 - Fiscal YE Procedures
 - Miscellaneous Procedures
 - Payroll Site Specific
 - Remote PR
- Position Control
- System Control

Right Pane (List View):

Application or Transaction Na...	Ap
Payroll Calendar	
Payroll Verification Report	PR
W2 Table Maintenance	PR
W2 Table Edit List	PR
Generate W2 Data	PR
Calc Taxable Fringe Benefit	PR
W2 Recap Listing	PR
Print W2 Report	PR
Print W2 Forms	PR
Payroll Check Record Report	PR
Calendar YE Initialization	PR
W2 Cross Reference Report	PR
W2 Data Inquiry	PR
State Dept of Revenue Report	PR

Effective Date 12/31/2020

Employment Date 10/01/2019

Scholastic Year 2019 07/01/2018 Thru 06/30/2019

Update Fringe Benefit

Calculate Amount

- Pay Period
- Annual
- Other Months

Report Destination

- To Report Viewer
- To Grid
- To File
- To Printer Jans HP LaserJet M606 PCL 6 (redirected)

Setup

Enter Selection Criteria, Click Enter(F1) To Generate Report



- **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.
- **Employment Date**: This is up to your district. Anyone hired after this date will be 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 you 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

<u>EMPL NUM</u>	<u>EMPLOYEE NAME</u>	<u>EMPLOYED</u>	<u>BIRTHDAY</u>	<u>Age</u>	<u>JOB</u>	<u>INSURANCE AMT</u>	<u>TAXABLE UNITS</u>	<u>PAY PERIOD</u> <u>FRINGE BEN</u>
		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
		08/05/2004	02/04/1965	55	1	114,359.04	64.00	27.52

Annualized
\$657.36

Effective Date

Employment Date

Scholastic Year 07/01/2018 Thru 06/30/2019

Update Fringe Benefit

Replace Amount

Accumulate Amount

Calculate Amount

Pay Period

Annual

Other

Months

Report Destination

To Report Viewer

To Grid

To File

To Printer

Jans HP LaserJet M606 PCL 6 (redirected)

Enter Selection Criteria, Click Enter(F1) To Generate Report

Fringe Benefit Information

Code

Amount

Active

Add/Update Item

Job	Code	Description	Amount	Active
1	L	LIFE INSURA...	17.70	Yes
1	T	TRAVEL	197.14	Yes

Fringe Benefit Information

Code

Amount

Active

Add/Update Item

Job	Code	Description	Amount	Active
1	L	LIFE INSURA...	21.93	Yes
1	T	TRAVEL	0.00	No
1	V	VEHICLE	59.50	Yes

Fringe Benefits and Off Line Check Processing

Payroll Run ID fy20 test compute Check Date: 2019-10-01 Bank: PAY

Employee No Check #

Eringe Ben Ded # JN Employee Amt Board Amt Wage Amt

De...	JN	Ded Description	Amount	Board A...	Wage Amt
1	1	FED TAX	611.34	0.00	6,999.56
1	10	FED TAX	15.30	0.00	175.23
2	1	ST W/H	310.00	0.00	7,591.75
2	10	ST W/H	7.77	0.00	190.23
3	1	SOC SEC	470.69	470.69	7,591.75
3	10	SOC SEC	11.79	11.79	190.23
4	1	MEDICARE	110.08	110.08	7,591.75
4	10	MEDICARE	2.76	2.76	190.23
5	1	AUBURN	78.96	0.00	7,895.85

Gross

Federal W/H 626.64

Advanced EIC 0.00

State W/H 317.77

Social Sec W/H 482.48

Medicare W/H 112.84

City W/H 80.96 JN GL Num Amt

County W/H 0.00

Other W/H 1,030.69

Check Amount \$5,444.47

JN	Fd-C-Func-Obj-CCtr-SFnd-Y-Prog-Spec	Amount
1	11-5-4110-113-8410-1310-0-8410-6085	7,895.85
10	11-5-4110-199-8410-6001-0-8410-6085	200.00

Check Information Calculated Successfully

Fringe Benefits

JN FB Code Amt

Job No	Fringe Ben Co...	Amount
1	L	21.93
1	T	59.50

Payroll Run ID fy20 test compute Check Date: 2019-10-01 Bank: PAY

Employee No Check #



Eringe Ben Ded # Employee Amt Board Amt Wage Amt

Gross
 Federal W/H
 Advanced EIC
 State W/H
 Social Sec W/H
 Medicare W/H
 City W/H
 County W/H
 Other W/H
 Check Amount

De...	JN	Ded Description	Amount	Board A...	Wage Amt
1	1	FED TAX	601.63	0.00	6,918.13
1	10	FED TAX	15.24	0.00	175.23
2	1	ST W/H	306.42	0.00	7,510.32
2	10	ST W/H	7.76	0.00	190.23
3	1	SOC SEC	465.64	465.64	7,510.32
3	10	SOC SEC	11.79	11.79	190.23
4	1	MEDICARE	108.90	108.90	7,510.32
4	10	MEDICARE	2.76	2.76	190.23
5	1	AUBURN	78.96	0.00	7,895.85

JN GL Num Amt

JN	Fd-C-Func-Obj-CContr-SFnd-Y-Prog-Spec	Amount
1	11-5-4110-113-8410-1310-0-8410-6085	7,895.85
10	11-5-4110-199-8410-6001-0-8410-6085	200.00

Check Information Calculated Successfully

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

Back

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.)