

From the desk of
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Employee Benefits that can be excluded from Employee Income

Compensation for personal services includes any benefits an employer provides to an employee that are not otherwise excludable from gross income, but the Internal Revenue Code does provide certain benefits that can be excluded, those being:

- Amounts received under employer-financed accident and health plans (health insurance);
- Employer contributions to provide accident and health benefits;
- Employer contributions to a health savings account (HSA); Archer Medical Savings Account (MSA); health reimbursement arrangement (HRA); or flexible spending arrangement (FSA).
- Premiums for group-life insurance to the extent coverage does not exceed \$50,000;
- Qualified Adoption expenses reimbursed under an employer adoption assistance program;
- Child and depended care assistance benefits;
- Educational assistance benefits;
- Employee achievement awards to the extent deductible by the employer (the Christmas bonus up to \$400.00)

In addition to the above an employer can install a Cafeteria Plan under which a number of employee fringe benefits can be provided that reduce taxable earnings, as well as various types of pension and deferred income plans.

Call us to discuss further if you should have questions.

We here at Muffoletto & Company believe that the more informed you are in regards to the rules and regulations that affect you the more we can be of service.

Should you have questions relating to any tax or financial matters call at

(818) 346-2160,

or you can visit us on the web at

www.petemcpa.com