



Robin Solomon and Benjamin Grosz quoted in US News & World Report on Tax-Advantaged Employee and Fringe Benefits

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The tax treatment of frequent flier miles and employee benefits and other fringe benefits were discussed by Robin Solomon and Ben Grosz and quoted in US News & World Report article "7 Things You Don't Have to Pay Taxes On" by Geoff Williams (February 12, 2016), as part of the Personal Finance section.

Employee benefits and other fringe benefits. Maybe your boss has occasionally given you a gift, and you've thought, "You know, I wish she had just given me money instead." Well, that would be nice, but you'd also pay taxes on it. The gift may actually be the nicer gesture.

"There are a number of employee-benefit programs that you can receive from work without having to pay taxes," says Benjamin Grosz, a tax attorney at Ivins, Phillips & Barker in the District of Columbia.

As for what you can be given by your company tax-free, as long as your employer follows various rules, "which can get complicated," Grosz cites a slew of examples: insurance coverage, transit subsidies, educational assistance, moving expenses, free use of the company gym, subsidized meals at the company cafeteria, personal use of a company-provided cellphone, tickets to a sporting event or show and holiday nonmonetary gifts, like a Christmas ham.

So if your boss has given you a mix of those perks, especially the expensive stuff like transit subsidies and free use of the gym, you may want to give him or her a hug. Well, in this day



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and age of mixed signals, maybe just a friendly fist bump.

Frequent flier miles. This is a great example of something that can be worth thousands of dollars, but you don't have to pay tax on it, says Robin Solomon, a tax and benefits attorney with Ivins, Phillips & Barker in the District of Columbia.

"If the miles are awarded by the airline or in connection with credit card use, they are considered nontaxable rebates. The same rule applies to loyalty programs sponsored by hotels and rental cars," she says.

There are some exceptions, Solomon adds. "One catch is that you can't exchange the miles or points for cash," she says. "Cash is always taxable."