



# Meaden & Moore 2020 Tax Advisory



MEADEN & MOORE

## 2020 Tax Advisory

December 2020

To Our Valued Clients and Friends:

As 2020 draws to a close, there are important issues you must address to comply with the tax law. This bulletin provides you as an employer with important information about year-end tax reporting requirements, primarily with regard to compensation paid to your employees (Form W-2) and amounts paid to non-employees as well as payments of dividends, interest, rents, etc. (Form 1099).

We hope this tax advisory answers many of your questions regarding the more common types of payments that are required to be reported, however, it is not intended to cover every payment situation. If someone else in your organization is responsible for year-end reporting, please pass this information along to the appropriate person.

Do not hesitate to contact your client service representative at Meaden & Moore with any questions you may have regarding this material.

**Meaden & Moore, Ltd.**

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## 2020 General Information

<b>TAX RATES AND LIMITS:</b>		
<b>FEDERAL:</b>	<b><u>2019</u></b>	<b><u>2020</u></b>
<b>FICA TAXABLE TAX RATE AND WAGE BASE:</b>		
Social Security (OASDI) 6.2%:	\$132,900	\$137,700
Medicare 1.45%: No Limit **		
<b>FUTA TAXABLE WAGE BASE:</b>	7,000	7,000
<b>STATE:</b>		
OHIO DEPARTMENT OF JOBS AND FAMILY SERVICES TAXABLE WAGE BASE:	9,500	9,000
<p>**Employers must withhold an additional 0.9% of Medicare taxes on wages in excess of \$200,000 filing single and \$250,000 filing joint.</p>		

**Remind employees to submit a new Form W-4 if their withholding allowances have changed or will change for the next year.**

### **A Reminder to Members of an LLC and Partners of a Partnership**

Members in a Limited Liability Company (LLC) or partners in a partnership are not considered employees. Payments to a member or a partner for services rendered on behalf of the entity should be treated as draws against capital or guaranteed payments as indicated by the operating agreement. Therefore, members and partners should not receive a Form W-2. Such individuals must pay self-employment tax on their net earnings from the entity at a rate of 15.3 percent in lieu of the Social Security and Medicare taxes for the first \$137,700, then 2.9% for all additional income.

#### **Helpful websites:**

[www.meadenmoore.com](http://www.meadenmoore.com)

[www.irs.gov](http://www.irs.gov)

[www.tax.ohio.gov](http://www.tax.ohio.gov)

[www.ssa.gov](http://www.ssa.gov)

[www.jfs.ohio.gov](http://www.jfs.ohio.gov)

[info.bwc.ohio.gov](http://info.bwc.ohio.gov)

## 2020 Form W-2: Wage and Tax Statement

Each year every employer is required to report wages paid and the related withholdings on Form W-2. Employers must file Forms W-2 (copy A) in electronic format with the Social Security Administration if they file 250 or more Forms W-2 for 2020. IRS can grant a waiver of the electronic filing requirement upon written request.

Employers are strongly encouraged to file all W-2s electronically, even if under the 250 threshold. The Ohio Business Gateway has a W-2 upload feature in the Employer Withholding area so that any employer may now file electronically. This is the Ohio Department of Taxation's **preferred** method of W-2 filing. An IT-3 will not be required with electronic filing.

Form W-2 is a six-part form to be distributed as follows:

- **Copy A:** due to the Social Security Administration along with Form W-3: *Transmittal of Wage and Tax Statements* by February 1, 2021. This filing date applies to electronic and paper filed W-2's. Do not staple Forms W-2 together or attach to Form W-3. You may request an extension for 30 days to file form W-2 with the SSA by sending Form 8809. The extension is not automatic and the IRS will only grant the extension in limited cases. W-2's mailed to your employees must be postmarked by February 1, 2021.
- **Copy 1:** Ohio Form IT-3 is due by January 31, 2021. Employers are no longer required to send the state paper copies of Ohio Form IT-3, or federal forms W-2 or 1099-R. However, you are required to maintain these records for a period of four years from the due date. You can elect to send the state W-2 and 1099-R information on magnetic media. If you do not do so, the Ohio Department of Taxation may periodically request W-2s when conducting compliance programs.
- **School district code:** Employers must furnish a W-2 that identifies the four-digit school district number in box 20.
- **Local taxing district:** A copy may also be due to a local taxing district with a similar transmittal form and due date.
- **Copy B, Copy C and Copy 2:** due to the employee by February 1, 2021.
- **Copy D:** retained by the employer.

Special boxes to be noted:

- **Box 11 Nonqualified plan:** distributions from a nonqualified plan reported in Box 1.

### 2020 Form W-2: Wage and Tax Statement (Continued)

- **Box 12 Codes:** Elective deferrals and other codes A-EE to be input on lines 12a – 12d.
  - **Code DD** – Use this code to report the cost of employer-sponsored health coverage. The amount reported with code DD is not taxable. Reporting the cost of such coverage is mandatory for Forms W-2 issued for 2020, except for certain employers that qualify for transition relief.
  - **Transition Relief** – Employers filing fewer than 250 Forms W-2 for the previous calendar year will not be required to report the cost of employer-sponsored health coverage on the 2020 Forms W-2.
  - **Value to Report** – In general, the amount reported should include both the portion paid by the employer and the portion paid by the employee. See the chart in Appendix D for additional guidance.
  
- **Box 13 Checkboxes:**
  - Retirement plan: use this code if the employee was an active participant for any part of the year. Please contact your client service representative for what determines active participant status.
  - Third-party sick pay: use this code only if you are the third-party sick pay payer or the employer reporting sick pay payments made by third party.
  
- **Box 14 Other:** The lease value of vehicle must be reported here (see auto reporting). This box can also be used for employee information reporting such as health insurance premiums deducted. Label each item.

## 2020 Form W-2: Wage and Tax Statement (Continued)

22222		VOID <input type="checkbox"/>	a Employee's social security number		For Official Use Only ▶ OMB No. 1545-0008	
b Employer identification number (EIN)			1 Wages, tips, other compensation		2 Federal income tax withheld	
c Employer's name, address, and ZIP code			3 Social security wages		4 Social security tax withheld	
			5 Medicare wages and tips		6 Medicare tax withheld	
			7 Social security tips		8 Allocated tips	
d Control number			9		10 Dependent care benefits	
e Employee's first name and Initial		Last name	Suff.	11 Nonqualified plans		12a See instructions for box 12
f Employee's address and ZIP code			13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b	
			14 Other		12c	
					12d	
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form **W-2** Wage and Tax Statement

2020

Department of the Treasury—Internal Revenue Service  
For Privacy Act and Paperwork Reduction Act Notice, see the separate Instructions.

Copy A—For Social Security Administration. Send this entire page with Form W-3 to the Social Security Administration; photocopies are **not** acceptable.

Cat. No. 10134D

**Do Not Cut, Fold, or Staple Forms on This Page**

## *Bonuses and Fringe Benefits*

### **Bonuses**

Bonuses are considered to be taxable wages. In addition to all payroll and withholding taxes, the federal income tax must be withheld at a minimum flat rate of 22 percent when bonuses are paid separately from regular wages. The rate is 37 percent for supplemental wage payments in excess of \$1 million.

For Ohio, withhold at a flat rate of 3.5 percent on such wages. Alternatively, you can choose to combine the supplemental payments with regular wages for that pay period and figure the income tax withholdings as if the total amount was a single payment (i.e. withholding would be based on the employee's W-4).

### **Fringe Benefits**

The value of all noncash compensation including fringe benefits, unless specifically excluded by law, must be reported as taxable wages for federal income tax purposes. In certain cases, noncash compensation may or may not be subject to payroll taxes<sup>1</sup> and withholding taxes<sup>2</sup>.

Some common types of fringe benefits are as follows:

#### **Group-Term Life Insurance**

The cost of group-term life insurance purchased for an employee, to the extent the coverage exceeds \$50,000, is a taxable fringe benefit. The value of this fringe benefit must be determined by the values prescribed by the IRS from the *Uniform Premiums for \$1,000 of Group-Term Life Insurance Protection Table* (Appendix A). The income to be reported is included in Box 1 - total wages, as well as Box 3 as Social Security wages and Box 5 as Medicare wages; and reported in Box 12 with code "C".

This item is not subject to income tax withholding. Generally, if your group-term life insurance plan favors key employees as to participation or benefits, you must include the entire cost of the insurance in your key employees' wages.

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<sup>1</sup> In general, payroll taxes include the following: Federal Insurance Contributions Act (FICA), both Social Security and Medicare, Federal Unemployment Tax Act (FUTA), Ohio Department of Jobs and Family Services (ODJFS) and Bureau of Workers' Compensation (BWC).

<sup>2</sup> In general, withholding taxes include the following: federal, state of Ohio (or other state), and city income taxes.



## **Health Savings Account (HSA)**

Employer contributions to an HSA on behalf of an eligible employee are excludable from the employee's income to the extent that the amounts do not exceed the limitation under Code Sec. 223(b). These contributions are not subject to any federal, state or local income tax withholding, or Social Security or Medicare tax. Distributions from an HSA for qualifying medical expenses are tax-free. Employer contributions to an HSA must be reported on the employee's Form W-2, Box 12 with code a "W". Employee contributions to an HSA through a cafeteria plan should also be includable in Box 12 with a code "W".

## **Special Rule for S Corporations and Greater than 2 Percent Shareholder/Employees**

An S corporation that pays the following fringe benefit expenses for an employee who also owns more than 2 percent of the S Corporation's outstanding stock, either alone or under the family attribution rules, must include the cost of the benefit on the employee's Form W-2:

- Health and accident insurance premiums
- Health Savings Account contributions (HSA)
- The cost of up to \$50,000 of group-term life insurance
- Meals and lodging furnished for the convenience of the employer
- The cost of disability insurance

All of these fringe benefits, with the exception of health and accident insurance premiums and HSA contributions are subject to payroll and withholding taxes. The amount of the fringe benefit must be included in Boxes 1, 3 and 5.

Health and accident insurance premiums and health savings account contributions paid on behalf of a 2% shareholder are includable as income in Box 1 wages and Box 16 state wages but are not included in Social Security or Medicare wages, boxes 3 and 5. The health insurance premiums included in Box 1 should also be shown and labeled separately in Box 14 as they may be 100% deductible by the shareholder/employee. The HSA contribution must also be shown and labeled in Box 14 and reported on Form 8889, line 9.

Under the family attribution rule, an individual is considered as owning the stock of an S corporation that is owned, directly or indirectly, by or for his spouse, children, grandchildren, and parents. Grandparents and brothers and sisters of an individual are not family members for the above rule.

## Automobile Reporting

If an employer provides an employee with the use of a company-owned or leased vehicle, the value of the vehicle's personal use must be added to the employee's wages as a taxable fringe benefit. The amount is included in the W-2 subject to payroll and withholding taxes. There are four methods for valuing the amount of the taxable fringe benefit:

- **The Annual Lease Value Method:** Under the annual lease value method, the Annual Lease Value Table (Appendix C) is used to calculate the taxable fringe benefit. This table does not include a factor for fuel if it is also paid by the employer. You can value fuel that the employer provided to an employee at cost or at 5.5 cents per mile for all miles driven by the employee. Also attached is a copy of a computational worksheet (Appendix B), which will assist you in computing the taxable fringe benefit using this method. This value is then multiplied by the ratio of personal mileage to total mileage to arrive at the personal use value.
- **The Commuting Value Method:** Under the commuting value method, a taxable fringe benefit of \$1.50 per one-way commute is added to an employee's W-2. A daily round-trip commute results in a \$3.00 per day taxable fringe benefit. No adjustment is made for fuel used. This method is not available for any shareholder-employee or any employee whose compensation is \$230,000 or more annually.
- **The Cents per Mile Method:** Personal use of an automobile for 2020 is calculated at 57.5 cents per mile. The cents per mile rate includes the fair market value of fuel provided by the employer. However, where the employer does not provide fuel, the rate may be reduced by no more than 5.5 cents per mile. The restrictions to use the cents per mile method are that the vehicle must be driven at least 10,000 miles a year, and the vehicle's original value did not exceed \$50,400 for a passenger automobile, truck or van.
- **The Fair Lease Value Method:** If none of the three methods above can be used to calculate the value of personal usage, the default method is the fair value lease method. The value is determined to be the value of leasing the vehicle in an arm's-length transaction on the same or comparable terms in the same geographical area by determining the annual lease cost of a comparable vehicle. The 5.5 cents per mile for personal miles driven is added to the fair lease value for employer provided fuel. If you include 100 percent of the value of the auto in the employee's wages on the W-2, you must separately report the value to the employee in Box 14 or on a separate statement.

## Employee Business Expenses

If an employer reimburses bona fide business expenses through an accountable plan, the amounts are **not** reported as income on Form W-2.

An accountable plan has the following three attributes:

1. Business expenses must have a business connection;
2. The employee must substantiate the reimbursed expenses within a reasonable time; and
3. The employee is required to return the excess of any reimbursement over the substantiated expenses within a reasonable time.

However, if the payments are not adequately accounted for or the employee fails to return excess reimbursements, then the arrangement will be treated as a non-accountable plan and all payments must be treated as wage income to the employee and subject to payroll and withholding taxes.

## Cafeteria Plans

A cafeteria plan is a separate written benefit plan maintained by an employer whereby the employees elect to defer a portion of their wages and contribute them to the plan to pay for welfare benefits such as hospitalization, medical expenses or dependent care expenses. The amounts deferred by employees are *not* considered taxable wages and thus are not subject to payroll taxes or withholding.

If your plan favors either the highly compensated employees or the key employees, you must include in their wages the value of taxable benefits they could have selected. Keep in mind that IRC Section 125 wages (“cafeteria plans”) are no longer subject to city income tax withholding.

## **Employer Contributions to Qualified Pension, Profit Sharing and Stock Bonus Plans**

If the qualified pension, profit sharing and stock bonus plans meet certain qualification requirements (i.e., minimum participation and vesting rules, nondiscrimination rules, and specified contribution and benefit limits), then the employer contributions to these plans are not considered taxable wages to the covered employees and are not subject to withholding and payroll taxes. If the plan fails the above requirements, the employer contributions are taxable wages and are subject to all payroll taxes and to withholding taxes as discussed below in Nonqualified Deferred Compensation.

## **Employer Contributions to Qualified Cash or Deferred Arrangements [Traditional 401(k) Plans]**

Annual employee deferrals of up to \$19,500 for 2020 (\$26,000 if you are age 50 or over by the end of the year) under traditional 401(k) plans are excludable from wages for income tax purposes but are subject to payroll taxes. Deferrals are generally taxable for city purposes and, therefore, subject to city income tax withholding.

## **Employer Contributions to Simplified Pension Plans (SEP) and Employee IRAs**

Employer contributions to IRAs (Individual Retirement Accounts) that are part of a SEP (Simplified Employee Pension) are excluded from the employee's wages. The employer contribution per participant is limited to the lesser of \$57,000 for 2020 (\$63,500 if you are age 50 or over by the end of the year) or 25 percent of compensation for the year. Employer contributions are not subject to payroll taxes.

## **Nonqualified Deferred Compensation**

Amounts earned under a nonqualified deferred compensation plan are subject to federal withholding taxes when paid to the employee or former employee. Deferred compensation is included in Box 1 of Form W-2 when paid. Deferred compensation earned but not paid is subject to payroll taxes and in some cases, city withholding taxes in the year when the employee performs services or in a later year when the employee's right to receive the deferred amount is no longer subject to forfeiture. Thus, an employee and employer could owe payroll taxes on the amount of deferred compensation in a year earlier than the year it is paid to the employee. In these years, the amount of such compensation is included only in Boxes 3 and 5 of Form W-2. Form W-2 is always used to report deferred compensation whether it is for the payroll tax purposes or for withholding purposes.

## *Form 1099: R, MISC, NEC, DIV, and INT*

In general, every business making certain payments must file informational returns. Payments include commissions and other forms of compensation for services rendered by independent contractors as well as payments for interest, rents, annuities, royalties, dividends, and pension distributions.

A Form 1099 for the 2020 calendar year must be filed with the IRS on or before March 1, 2021. If you file electronically, the due date is March 31, 2021. **New for 2020: Form 1099-NEC** needs to be filed on or before **February 1, 2021** for reporting nonemployee compensation (NEC) payments. The 1099-MISC form has been redesigned. The recipient should also be provided with a copy of the 1099 on or before February 1, 2021.

### **Form 1099-R: Distributions from Pensions, Annuities, Retirement or Profit-sharing Plans, IRAs**

All distributions, both partial and total, from qualified pension plans, annuities, profit sharing plans and IRAs are reported to recipients on Form 1099-R. Any income tax withheld on these distributions is also reported. Additional information reported on the Form 1099-R includes the taxable and nontaxable portions of the distributions. Distributions or payment under non-qualified plans are reported on Form W-2.

### **\*NEW Form 1099-NEC: Nonemployee Compensation**

Form 1099-NEC should be issued for reporting nonemployee compensation, which was previously reported on 1099-MISC box 7. Report payments of \$600 or more to an individual who is not an employee, a partnership or estate, for services rendered in the course of your trade or business. Payments include services provided by nonemployees, payments to independent contractors, and fees paid for professional services such as of attorneys and accountants.

### **\*Redesigned for 2020: Form 1099-MISC: Miscellaneous Income**

Form 1099-MISC should be issued for payments to certain nonemployees of the payor, except nonemployee compensation. A payor must provide a statement to each sole proprietorship, individual, or other non-corporate entities for payments of \$600 or more paid during the year. Payments include rents, prizes or awards, other income, crop insurance proceeds, and payments to an attorney not reportable on 1099-NEC. Form 1099-MISC should also be issued to report at least \$10 in royalties and direct sales of at least \$5,000 of consumer products made to a buyer for resale anywhere other than a permanent retail establishment.

If you receive rental income from real estate, you are in the trade or business of renting property and therefore have the same Form 1099-MISC reporting requirements as other taxpayers in a trade or business.

### **Form 1099-DIV: Dividends and Distributions**

Form 1099-DIV is used to report dividends and other distributions made by a corporation with respect to its stock. A 1099-DIV does not need to be filed if the dividend or distribution payment to a shareholder is less than \$10. Distributions made for S corporation shareholders representing current or accumulated S corporation earnings are *not* reported on Form 1099-DIV; instead, they are reported on the Schedule K-1 filed with the corporation's income tax return.

### **Form 1099-INT: Interest Income**

Form 1099-INT is used to report interest paid by a taxpayer in excess of \$10 on its business debts, or at least \$600 of interest paid in the course of its trade or business.

## *Form 945: Annual Return of Withheld Federal Income Tax*

Form 945 is used to report federal income tax withheld from non-payroll income, such as payments from pensions, gambling winnings and payments subject to backup withholding.

“Backup withholding” applies when a payee fails to furnish a payor or employer his or her correct taxpayer identification number. The backup withholding rate is at 24 percent. Payments subject to backup withholding include interest, dividends, rents, royalties, commissions and nonemployee compensation. Backup withholding does not apply to wages, pensions, annuities, IRA's, medical savings accounts, health savings accounts, long-term care benefits distributions from an ESOP, or real estate transactions.

## APPENDIX A

### Uniform Premiums for \$1,000 of Group-Term Life Insurance Protection Table

<u>5-year age bracket</u>	<u>Cost per \$1,000 of protection for 1 month</u>
under 25	.05
25 to 29	.06
30 to 34	.08
35 to 39	.09
40 to 44	.10
45 to 49	.15
50 to 54	.23
55 to 59	.43
60 to 64	.66
65 to 69	1.27
70 and above	2.06

**Example:** A 45-year-old employee receives \$200,000 of coverage under an employer-sponsored group term life insurance plan. The employee must then include in his/her income the following amount:

Total amount of the coverage	\$200,000
Amount allowed "tax free"	<u>(50,000)</u>
Coverage subject to tax	<u>\$150,000</u>
Excess Coverage (in thousands)	150
Rate per thousand per month from above table	<u>x 0.15</u>
	\$22.50
Months of Coverage	<u>x 12</u>
<b>Income to be reported</b>	<u><u>\$270.00</u></u>

## APPENDIX B

### Employer's worksheet to calculate employee's taxable income resulting from employer provided vehicle for the calendar year 2020

Employee's Name: \_\_\_\_\_

<b>Fair Market Value of vehicle at the date first available for personal use. (Value must be re-determined at the beginning of every fifth year.)</b>		<b>A</b>	_____
<b>Annual Lease Value (from table provided)</b>		<b>B</b>	<input type="text"/>
<b>Personal Use %</b>			
<b>Total Miles</b>		<b>C</b>	_____
<b>Business Miles</b>		<b>D</b>	_____
<b>Total Personal Miles</b>	<b>C - D</b>	<b>E</b>	=====
<b>Personal %</b>	<b>E/C</b>	<b>F</b>	_____
<b>Personal Value</b>	<b>B * F</b>	<b>G</b>	_____
<b>Prorate:</b>			
<b>Number of Days Available for Use</b>		<b>H</b>	_____
<b>Number of Days in Tax Year</b>		<b>I</b>	<u>365</u>
<b>Available for Use %</b>	<b>H/I</b>	<b>J</b>	=====
<b>Personal Value Prorated</b>	<b>G * J</b>	<b>K</b>	=====
<b>Fuel</b>	<b>E * .055</b>	<b>L</b>	_____
<b>Total Employee Taxable Income</b>	<b>K + L</b>		=====



## APPENDIX C

### Annual Lease Value Table

Automobile Fair Market Value			Annual Lease Value	Automobile Fair Market Value			Annual Lease Value
0	to	999	600	24,000	to	24,999	6,600
1,000	to	1,999	850	25,000	to	25,999	6,850
2,000	to	2,999	1,100	26,000	to	27,999	7,250
3,000	to	3,999	1,350	28,000	to	29,999	7,750
4,000	to	4,999	1,600	30,000	to	31,999	8,250
5,000	to	5,999	1,850	32,000	to	33,999	8,750
6,000	to	6,999	2,100	34,000	to	35,999	9,250
7,000	to	7,999	2,350	36,000	to	37,999	9,750
8,000	to	8,999	2,600	38,000	to	39,999	10,250
9,000	to	9,999	2,850	40,000	to	41,999	10,750
10,000	to	10,999	3,100	42,000	to	43,999	11,250
11,000	to	11,999	3,350	44,000	to	45,999	11,750
12,000	to	12,999	3,600	46,000	to	47,999	12,250
13,000	to	13,999	3,850	48,000	to	49,999	12,750
14,000	to	14,999	4,100	50,000	to	51,999	13,250
15,000	to	15,999	4,350	52,000	to	53,999	13,750
16,000	to	16,999	4,600	54,000	to	55,999	14,250
17,000	to	17,999	4,850	56,000	to	57,999	14,750
18,000	to	18,999	5,100	58,000	to	59,999	15,250
19,000	to	19,999	5,350				
20,000	to	20,999	5,600				
21,000	to	21,999	5,850				
22,000	to	22,999	6,100				
23,000	to	23,999	6,350				

For automobiles with a FMV of more than \$59,999, the annual lease value equals (.25 x the FMV of automobile) + \$500.

## APPENDIX D

<b>Form W-2 Reporting of Employer-Sponsored Health Coverage</b>			
<b>Coverage Type</b>	<b>Form W-2, Box 12, Code DD</b>		
	<b>Report</b>	<b>Do Not Report</b>	<b>Optional</b>
Major medical	X		
Dental or vision plan not integrated into another medical or health plan			X
Dental or vision plan which gives the choice of declining or electing and paying an additional premium			X
Health Flexible Spending Arrangement (FSA) funded solely by salary-reduction amounts		X	
Health FSA value for the plan year in excess of employee's cafeteria plan salary reductions for all qualified benefits	X		
Health Reimbursement Arrangement (HRA) contributions			X
Health Savings Arrangement (HSA) contributions (employer or employee)		X	
Archer Medical Savings Account (Archer MSA) contributions (employer or employee)		X	
Hospital indemnity or specified illness (insured or self-funded), paid on after-tax basis		X	
Hospital indemnity or specified illness (insured or self-funded), paid through salary reduction (pre-tax) or by employer	X		
Employee Assistance Plan (EAP) providing applicable employer-sponsored healthcare coverage	Required if employer charges a COBRA premium		Optional if employer does not charge a COBRA premium
On-site medical clinics providing applicable employer-sponsored healthcare coverage	Required if employer charges a COBRA premium		Optional if employer does not charge a COBRA premium
Wellness programs providing applicable employer-sponsored healthcare coverage	Required if employer charges a COBRA premium		Optional if employer does not charge a COBRA premium
Multi-employer plans			X
Domestic partner coverage included in gross income	X		
Governmental plans providing coverage primarily for members of the military and their families		X	

*APPENDIX D (Continued)*

<b>Form W-2 Reporting of Employer-Sponsored Health Coverage</b>			
<b>Coverage Type</b>	<b>Form W-2, Box 12, Code DD</b>		
	<b>Report</b>	<b>Do Not Report</b>	<b>Optional</b>
Federally recognized Indian tribal government plans and plans of tribally chartered corporations wholly owned by a federally recognized Indian tribal government		X	
Self-funded plans not subject to Federal COBRA			X
Accident or disability income		X	
Long-term care		X	
Liability insurance		X	
Supplemental liability insurance		X	
Workers' compensation		X	
Automobile medical payment insurance		X	
Credit-only insurance		X	
Excess reimbursement to highly compensated individual, included in gross income		X	
Payment/reimbursement of health insurance premiums for 2% shareholder-employee, included in gross income		X	
<b>Other Situations</b>	<b>Report</b>	<b>Do Not Report</b>	<b>Optional</b>
Employers required to file fewer than 250 Forms W-2 for the preceding calendar year (determined without application of any entity aggregation rules for related employers)			X
Forms W-2 furnished to employees who terminate before the end of a calendar year and request, in writing, a Form W-2 before the end of that year			X
Forms W-2 provided by third-party sick-pay provider to employees of other employers			X