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**Federal Taxation of Wages and Other Benefits
2006-2007**

Benefit/Other Payment	Report as Federal Taxable Wages (W-2, Box 1)	Federal Income Tax Withholding	Social Security/Medicare	Federal Unemployment Tax (FUTA)
Advances				
·Wage	yes	yes	yes	yes
·Expense ¹	no	no	no	no
·Permanent	yes	yes	yes	yes
Adoption Assistance				
·up to \$5,000/\$6,000	no, thru 12-31-01	no, thru 12-31-01	yes	yes
·over \$5,000/\$6,000	yes, thru 12-31-01	yes, thru 12-31-01	yes	yes
·up to \$10,000	no, thru 12-31-10	no, thru 12-31-10	yes	yes
·Over \$10,000	yes, thru 12-31-10	yes, thru 12-31-10	yes	yes
Allowances				
·Mileage ¹	no	no	no	no
·Per Diem ¹	no	no	no	no
·Automobile	yes	yes	yes	yes
Athletic Facilities	no, limits apply	no, limits apply	no, limits apply	no, limits apply
Automobiles				
·Personal Use	yes	yes	yes	yes
·Business Use ¹	no	no	no	no
Awards/Achievement				
·Cash	yes	yes	yes	yes
·Noncash	no	no	no	no
Bonuses	yes	yes	yes	yes
Commissions				
·Employee	yes	yes	yes	yes
·Nonemployee	no	no	no	no
Conventions/Seminars	no	no	no	no
Country Club Dues²	yes	yes	yes	yes
Dependent Care Assistance				
·\$5,000 or less	no	no	no	no
·more than \$5,000	yes	yes	yes	yes
Educ. Assistance				
·Job-related	no	no	no	no
·Non-job-related ³				
-undergraduate	no, thru 12-31-10	no, thru 12-31-10	no, thru 12-31-10	no, thru 12-31-10
-graduate	yes, thru 12-31-10	yes, thru 12-31-10	yes, thru 12-31-10	yes, thru 12-31-10
Employment Agency Fees				
·Employer-Paid	no	no	no	no
·Reimbursed	yes	yes	yes	yes
Group Legal Services	yes	yes	yes	yes
Group-Term Life				
·Under \$50,000	no	no	no	no
·Over \$50,000	yes	yes	yes	yes

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2006-2007				
Benefit/Other Payment	Report as Federal Taxable Wages (W-2, Box 1)	Federal Income Tax Withholding	Social Security/Medicare	Federal Unemployment Tax (FUTA)
GTL for Dependents				
·Under \$2,000	no	no	no	no
·\$2,000 or more	yes	yes	yes	yes
Health and Accident Insurance	no	no	no	no
Jury Duty Pay	yes	yes	yes	yes
	no, limits apply	no, limits apply	no, limits apply	no, limits apply
Meals				
·Travel Expenses ¹	no	no	no	no
·Business/Entertainment ¹	no	no	no	no
·Supper Money	no	no	no	no
·Employer's Convenience	no	no	no	no
·De minimis	no	no	no	no
Military Pay				
·Temporary Duty	yes	yes	yes	yes
·Active Duty	no	no	no	no
Pretax Contributions				
·§401(k)	no	no	yes	yes
·Cafeteria Plans	no	no	no	no
Retirement Planning Services⁴	no, eff. 1-1-02	no, eff. 1-1-02	no, eff. 1-1-02	no, eff. 1-1-02
Severance Pay	yes	yes	yes	yes
Vacation Pay⁵	yes	yes	yes	yes

1 Proper substantiation is required.

2 Under OBRA '93 and effective 1-1-94, this is no longer a business expense. The portion not substantiated as having a business connection is wages subject to FIT, FITW, FICA, and FUTA, whether or not a compensation-related deduction was taken on the business tax return.

3 The expiration date is based on the date the courses began, not the date the reimbursements were made.

4 Restrictions apply.

5 FITW and FICA are deferred under a cafeteria plan.