

# Taxable Benefit Memo

More information and procedural information will be coming soon on this.

**From:** [cfaes-all-bounces+smith.150@osu.edu@lists.service.ohio-state.edu](mailto:cfaes-all-bounces+smith.150@osu.edu@lists.service.ohio-state.edu) [<mailto:cfaes-all-bounces+smith.150@osu.edu@lists.service.ohio-state.edu>] **On Behalf Of** Lieb, Joan

**Sent:** Friday, November 08, 2013 1:32 PM

**To:** [cfaes-all@lists.service.ohio-state.edu](mailto:cfaes-all@lists.service.ohio-state.edu)

**Subject:** [cfaes-all] OSU Policy Update

To All CFAES Employees,

The University recently made a big policy switch in response to an audit conducted by the IRS. Effective immediately, gifts, apparel and other items of value received by an employee must be reported as a taxable fringe benefit to that employee. As a result, the employee receiving the item will be subject to payroll tax withholding on their next paycheck based on the fair market value of the item. This will take effect only on future items received. Please view the attached for a general list of what is and is not considered a taxable benefit to the employee.

As an employee of our college, we wanted to make sure you were aware of the policy switch. You will have payroll taxes withheld on items you receive from OSU. In some cases, you may have the option of declining the item. Most importantly, you should discuss your options and the consequences with your supervisor or department providing the gift.

As a purchaser of items such as gift cards or shirts with the OSU logo for example, supervisors should communicate with the employees receiving these items to remind them they will be subject to payroll tax withholding and give them the option (if possible) to refuse the gift. Ideally, this should occur before the items are purchased. In the event that the gift is a surprise, plan ahead for how the item may be used in the event it is refused.

The central financial and HR units are developing procedures and guidelines to assist units in handling these purchases when they occur. If you have any questions, please contact your HR or Financial representative in your department, your associated fiscal service center or [CFAES\\_FiscalHR@osu.edu](mailto:CFAES_FiscalHR@osu.edu) for guidance.



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What is Taxable?	
Item Example	Added to Taxable Income?
Gift Cards	Yes
Apparel (including T shirts)	Yes
Bags, hats and other gift items	Yes
Sympathy Gifts	No
Retirement Gifts of low value	No
Length of Service Awards	No
Safety Achievement awards	No
Occasional Tickets to Sporting events or like items	No
Trinkets/Giveaways – such as pens, pencils, mugs	No
Safety equipment (gloves, goggles and other items that cannot be worn off the job site)	No
Occasional Meals (note that an attendee list is still required)	No
Refreshments (note that an attendee list is still required)	No

Award Value (Cash or Non cash)	Approval Needed
\$0-\$100	Unit Approver
\$101-\$1000	Dean or VP
>\$1000	Dean or VP and OHR
Note that <b>sympathy gifts</b> should be purchased at the unit level to avoid duplication. Individuals should not purchase gifts without unit approver approval.	

**Resources**

CFAES Fiscal and HR Office,  
[CFAES\\_FiscalHR@osu.edu](mailto:CFAES_FiscalHR@osu.edu)

Reward and Recognition Policy:  
<http://hr.osu.edu/policy/policy315.PDF>