

## **PCG Alert**

**11/05/12**

**RE:** New Payroll Compliance Group Bulletins

**Attention Payroll Officers:**

**Please forward this alert to those in your Organization who need this information:**

The Division of Accounting, Payroll Compliance Group (PCG) has posted three new bulletins to the DOA website:

**Employee Awards 2012-002**

**Tuition Reimbursements 2012-003**

**Meal Provisions 2012-004**

Access all PCG Bulletins at the below link:

[http://www.accounting.delaware.gov/payroll\\_comp/comm/bulletins.shtml](http://www.accounting.delaware.gov/payroll_comp/comm/bulletins.shtml)

These bulletins cover tax implications associated with non-cash fringe benefits. Please contact your HR office for your Organizations' policy regarding issuance of employee awards or tuition reimbursement.

If you have any questions regarding this topic, please contact the PCG at 672-5500.

PCG Alerts are posted at: [http://accounting.delaware.gov/payroll\\_comp/communications.shtml](http://accounting.delaware.gov/payroll_comp/communications.shtml)

**Division of Accounting  
Payroll Compliance Group**

**Bulletin # 2012-002  
Awards**

**INTRODUCTION**

The Division of Accounting (DOA) is responsible for working with State of Delaware (State) Organizations to ensure appropriate application of regulations associated with fringe benefits offered to State employees.

This bulletin provides guidance on the tax implications of gifts, prizes and awards made to employees to ensure that proper communication is given to the employee at the time of receipt and that the State is in compliance with federal and state tax laws and regulations. Unless a specific IRS exemption applies, all payments made from state funds or items of value given to employees are considered compensation, and are subject to federal, state, and local (if applicable) income tax and associated OECs

**FACTS**

**DEFINITIONS**

- **Awards** – Given for years of service, career achievements, completing a program (Delawell), recognition events, holiday celebrations, employee/teacher of the year, the Delaware Award for Excellence and Commitment in State Service program, etc.
- **De Minimis Fringe Benefit** – any property or service whose value is so small as to make accounting for it unreasonable or administratively impractical.
  - De minimis fringe benefits are excluded from taxable income
  - Federal and State regulations do not set a defined amount for the nominal value
  - Even items of little individual value do not qualify as de minimis if they are given frequently to the same person
- **Cash Equivalent Awards** – any item that could easily be exchanged for cash, or used like cash to make purchases.
  - Cash equivalent awards do not qualify as a de minimis fringe benefit
  - Any item that can be readily converted to cash, (i.e., savings bonds, gift cards, etc.)
  - Cash equivalent awards are never excludable from taxes
- **Cash Awards:** Monetary awards are always taxable and include:
  - Those paid by any negotiable instrument (i.e., cash, check, money order, etc.)
- **Non-cash Awards:** Non-cash recognition awards may or may not be taxable and include, but not limited to:
  - Plaques; trophies; certificates
  - Pencils, pens and desk items; cups and mugs
  - Personal items of clothing such as caps, shirts, and sweatshirts
  - Other items such as pins and timepieces

- **Fair Market Value (FMV)** – the amount an individual would have to pay for the particular fringe benefit in an arm’s-length transaction. IRS Reg (§1.61-21(b)(1))
  - FMV is determined on the basis of all the facts and circumstances
  - Any special relationship between the employer and employee is not considered
  - An employee’s subjective perception of the value of a benefit is not relevant
  - The cost incurred by the employer is not considered in determining FMV
  
- **Gross Up** – paying a full amount without any deductions.
  - A calculation to include taxes on an award in the amount of the award
  - Advise the employee that the calculation is based on the W-4 information current as of the date of issue of the award

## FINDINGS

To determine if awards are excludable from wages, employers must consider general fringe benefit rules as well as regulations included in the Internal Revenue Code.

## REGULATORY REFERENCES

In rendering this opinion, we reviewed the applicable Code, Regulations, and laws as cited below.

### INTERNAL REVENUE SERVICE

#### IRS Publication 15b and the Taxable Fringe Benefits Guide

**Non-taxable Awards** – The Internal Revenue Code (IRC) provides exceptions for certain awards, prizes and gifts made to employees. Examples include:

- **De minimis Award** – any award that fits the definition above such as occasional parties/picnics, items with a low FMV, refreshments, turkeys, flowers, theater tickets, etc., are not taxable to the employee. The State may reward an employee’s noteworthy, work-related accomplishments by presenting an item of tangible personal property, such as, a plaque or a memento without tax consequences provided the value of the item, in addition to other gifts, prizes or awards presented throughout the year to the employee, is less than \$100.

**NOTE:** Non-cash gifts, prizes or awards with a total value at more than \$100 are taxable beginning with the first dollar.

- **Achievement Awards**
  - The maximum amount of excludable awards to a single employee during the calendar year is limited to:
    - \$400 for awards made under a non-qualified plan, or
    - \$1600 in total for awards made under both qualified and non-qualified plans
  - **Qualified Plan Award** – an award is a qualified plan award if it is:
    - made under an established written plan, and
    - does not discriminate in favor of highly paid employees
    - the **average cost** of **all** employee achievement awards (both qualified and non-qualified awards for length of service and safety) made by the employer during a single year does not exceed \$400. Awards of \$50 or less are not included in computing the average. *Reg. § 1.274-8(c)(5); IRC §414(q)(1); Reg. §1.274-8(c)(5)*

- **Safety Achievement Award** – recognizes an employee’s accomplishments for maintaining or promoting defined safety standards; it may qualify for exclusion from taxation; if the award,
  - is limited annually to less than 10% of total eligible employees
  - is not presented to managers, administrators, or professional employees
  
- **Length of Service Award** – an in-kind gift for an employee as part of an employee achievement event may qualify as a non-taxable benefit (i.e., \$200 plaque); if,
  - the employee has at least five years of service with the State
  - the employee has not received a length of service award within the last five years
  - the awards are presented as part of a meaningful ceremony and are not given based on an employee’s classification
  
- **Retirement Award** – may qualify for exclusion from taxation
  - Requires documentation describing the relationship between the retiree's length of service and the value of the award
  - Traditional retirement gifts are treated separately from achievement awards, they may be given within the five year period required for other length of service awards
  
- **Sympathy Gifts** – for a recent death or major illness (i.e., flowers, cards)
  
- **Redemption Coupons** – a substitute for a specified item at a designated store. It can only be redeemed at the specified store; and, only for the specified item (i.e., holiday turkey). Such coupons are not cash equivalents because of the very limited way they must be redeemed. This is not a taxable fringe benefit assuming the benefit is provided infrequently (i.e., once a year) and meets the de minimis criteria explained above.

**Taxable Awards** – add value to the employees’ earnings in PHRST for W2 reporting.

- **Constructive Receipt**
  - The taxable amount of an award is reported in the calendar year the employee receives the award even if the award program is based on a fiscal year.
  - All taxable awards must be included in the employee’s wages at the time award is received by the employee; but, no later than the last check of the calendar year.
  
- **Non-de minimis Awards** – items with a high FMV
  
- **Cash Equivalent Awards** – do not qualify as a de minimis fringe benefit because they have a defined face value, and may be used like or converted to cash; therefore, they are never excludable from taxes. (i.e., gift cards, gift certificates, and savings bonds)
  
- **Savings Bonds** – The Bond is a cash equivalent award because it has a defined face value; however, the face value is not its actual value until it reaches maturity. The FMV of the Bond (usually the cost of the Bond) when it is given to the employee is the taxable amount.

- **Employee Choice** – If employees have considerable choice in selecting the item received as a non-cash award, the award rarely meets the conditions for de minimis, regardless of its FMV.
  - Offering significant choice is the same as giving a cash-equivalent gift certificate.
  - Catalog programs that give employees a wide choice within specified limits, such as color-coded categories where all the items are about the same value, are equivalent to giving a gift certificate even if the employee cannot get the excess amount of award credit if he or she chooses an item from a lower value category.
  - Tax liability is based on the value of the highest award category that the employee is eligible to choose from, regardless of which category is selected.
  - Cash equivalence is based on the FMV of the item, not the cost to the employer.
  - The FMV of the selected item or, if higher, the FMV of the category from which the employee was eligible to choose, is the amount reported as a taxable.

## **DELAWARE CODE**

N/A

## **OTHER**

### *State of Delaware Policy:*

**Funding Sources** – The funding charged for awards must be appropriate and not create any questionable or disallowed charges. Awards must not be charged to a grant.

### **Reporting Taxable Awards**

- Employees must be advised of the pay period the award will be reported in the PHRST system as the taxes withheld on the reported benefit will reduce the employee's net income that pay period.
- Cash gifts, prizes or awards, including gift certificates and gift cards (cash equivalents),
  - are considered supplemental wages (i.e., additional compensation)
  - are reportable as taxable, regardless of the dollar amount, beginning with the first dollar
  - must be reported in the PHRST Payroll system and are subject to federal, state and local (if applicable) income tax as well as OECs (OASDI, Medicare, Pension, etc.).
- OECs are determined through eligibility criteria associated with the Position.
- The taxable value of the gift, prize or award is included in the employee's W2.

## **TAX ADVICE DISCLAIMER**

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Kristopher Knight, CPA  
Director, Division of Accounting

**Division of Accounting  
Payroll Compliance Group**

**Bulletin # 2012-003  
Education Assistance/Tuition Reimbursement**

**INTRODUCTION**

Based on findings from the Statewide Compliance Examination of non-wage fringe benefits, the Division of Accounting Payroll Compliance Group (PCG) is publishing guidance on appropriate tax treatment of Tuition Reimbursements and Educational Assistance Programs.

**FACTS**

Fringe benefits include any compensation other than cash wages. The general rule is that the compensation is taxable; however, the Internal Revenue Code provides exclusions for numerous forms of non-cash compensation provided to employees.

Taxation rules vary according to whether the instruction is *Job-Related* or *Non Job-Related Education*. IRS regulations require that certain non-job related educational assistance and tuition payments are reported as taxable income on Form W2.

As a benefit to State of Delaware employees, Organizations may provide Educational Assistance and/or Tuition Reimbursement, provided the funds are available in the budget.

**REGULATORY REFERENCES**

**IRS**

Qualified education expenses do not include the cost of tools or supplies (other than textbooks) an employee is allowed to keep at the end of the course.

To determine if tuition reimbursements or the value of the education is excludable from wages to the employee, employers must consider general fringe benefit rules as well as the following sections of the Internal Revenue Code:

- IRC §132(d) – Education as Working Condition Fringe Benefit**
- IRC § 162 and Treas. Reg. § 1.162-5(e) – Expenses for Education**
- IRC §127 – Qualified Educational Assistance Program**
- IRC §117(d) – Qualified Tuition Reductions**

## Taxable Fringe Benefits Guide – Federal, State, and Local Governments

### IRC §132(d) – Education as Working Condition Fringe Benefit

**Working condition fringe benefits** include services that, if the employee had paid for the service, the cost would have been deductible on the employee's individual income tax return. In the context of educational assistance, to be a working condition fringe benefit, the instruction should improve or develop the job-related capabilities of an employee.

- The course is a *Working Condition Fringe Benefit* if all the following conditions are met:
  - Must not be needed to meet minimum education requirements of the current job.
  - Not taken to qualify employee for a promotion/transfer to different type of work.
  - The topic is related to the employee's current job.
- The course is *Job-Related* if either of the following conditions are met:
  - It maintains or improves skills required to do the job.
  - It is expressly required by the employer or by law.

### Treas. Reg. § 1.132-5(a)(v) – Cash Payments for Educational Assistance

If the employer provides a cash advance to cover the education expenses, the employee must:

- use the advance for education expenses that qualify as a working condition fringe benefit,
- verify that the advance was actually used for such expenses, and
- return any unused portion of the advance.

### Treas. Reg. § 1.162-5(b)(3)(i) – Expenses for Education

In the field of education, certain job transitions are not considered to be to a new trade or business if the new duties involve the same general type of work as is involved in the individual's present employment.

- Courses taken to qualify teachers for transition examples below are excludable:
  - Elementary to secondary school classroom teacher.
  - Teacher in one subject (i.e., math) to teacher in another subject (i.e, science).
  - Classroom teacher to guidance counselor.
  - Classroom teacher to principal.

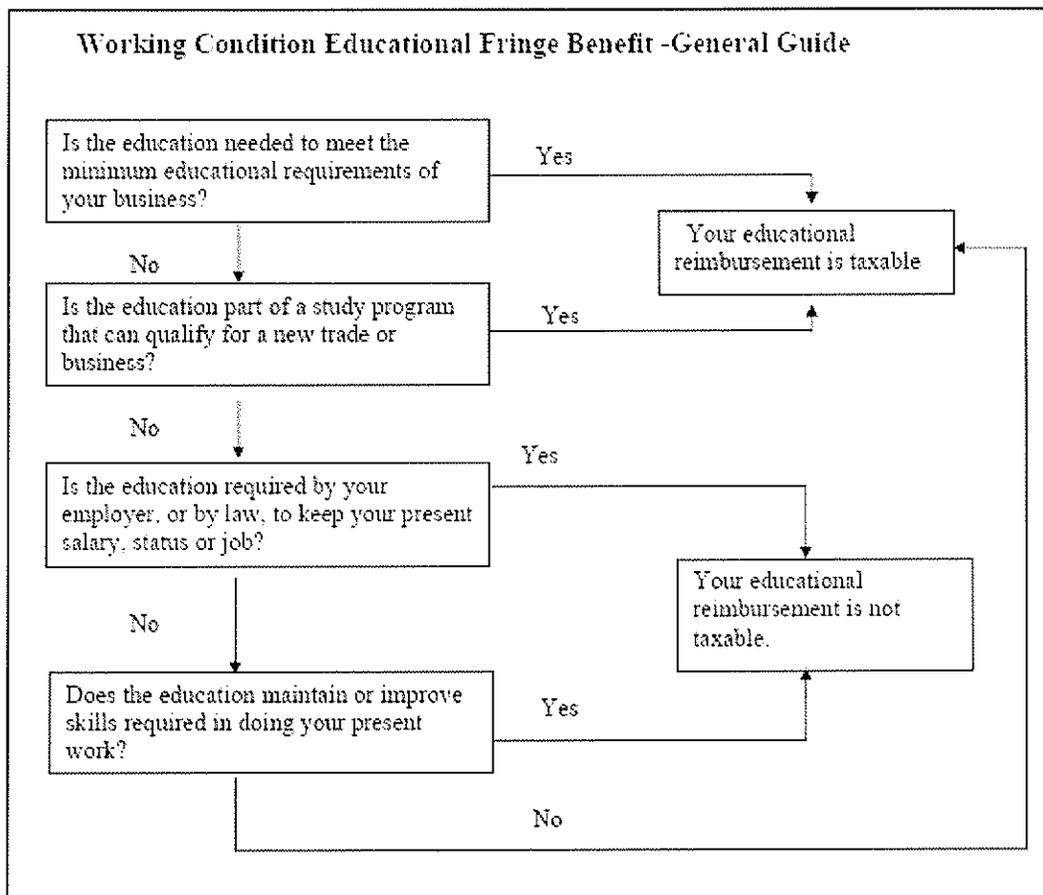
### IRC §127 – Qualified Educational Assistance Program

*IRC §127* is tax relief that expires and must be voted on by Congress periodically. The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 extended this provision through the end of 2012.

Section 127 provides an exclusion from an employee's gross income of up to \$5,250 per calendar year for amounts paid by an employer through a sponsored educational assistance program. Qualified education expenses include: tuition, fees, books, and supplies for both undergraduate and graduate education. Section 127 does not require courses to be job-related; however, certain exceptions apply for courses related to sports, games, or hobbies, which are only covered if required as part of a degree program.

- Educational Assistance Programs must meet the following requirements:
  - Must be a separate written plan.
  - Must be for the exclusive benefit of the employees.
  - Does not provide benefits for employees' spouses or other dependents.
  - May not discriminate in favor of highly compensated employees.
  - Employees cannot choose between educational assistance or compensation.
  - Employers must provide reasonable notification of the availability and terms of program to eligible employees. Consider including the plan in New Hire Packets, Employee Handbooks or other onsite location (i.e., Organization website).
  - Can require successful completion of a course or a specific grade in determining reimbursement under the program.
  - May not include payment for the cost of tools or supplies (other than textbooks) your employee is allowed to keep at the end of the course (i.e., calculators, etc.).
  - Employees must substantiate that the assistance qualifies under IRC §127.
  - Expenses over \$5,250 are taxable to the employee and reported on the W-2 unless the reimbursement was for an expense that could be deducted as a qualified business expense if the employee paid for the educational expenses.

The IRS Taxable Fringe Benefit Guide provides the following chart:



## **IRC §117(d) – Qualified Tuition Reductions**

Free or reduced tuition for employees of educational institutions may be excludable to employees. The term “qualified tuition reduction” means a tax-free reduction in tuition provided by an eligible educational institution. At the undergraduate level, the education need not be at the same institution where the employee works. Whether a tuition reduction is a qualified tuition reduction, and therefore excludable from income, depends on whether it is for education below or at the graduate level. The qualified tuition reduction must not represent payment for services.

Generally, a qualified tuition reduction cannot discriminate in favor of highly-compensated employees (for 2012, employees with total compensation exceeding \$115,000).

### **Eligibility – Below Graduate Level**

- An “educational organization” for this purpose must:
  - Maintain a faculty and curriculum, and
  - Normally have a regularly enrolled student body on site. *IRC§170(b)(1)(A)(ii)*
- For purposes of a qualified tuition reduction, an employee may be a:
  - Current employee or spouse.
  - Former employee who retired or left work on disability.
  - Spouse, widow or widower of deceased employee.
  - Spouse, widow or widower of employee who retired or left on disability.
  - Dependent child of employee.
  - Child of employee, under age 25, with both parents deceased.
- The education need not be at the same institution where the employee works

### **Eligibility at Graduate Level**

Tuition reductions for graduate education are considered “qualified” and are excludable if they are provided by an eligible educational institution to a graduate student performing teaching or research activities for the educational institution. The courses must be taken at the school where the employee is working. The employee must include in income any other tuition reductions received for graduate education.

### **Tuition Waiver for State Employees**

Some state laws permit state colleges and universities to waive all or a portion of tuition, services and activities fees for state employees. For example, the benefit is made available to those employed half-time or more in the following classifications for permanent employees:

- Classified and exempt paraprofessional employees of technical colleges,
- Faculty, counselors, librarians, and exempt professional and administrative employees at institutions of higher education.

If the waiver or reduction does not meet the requirements for a qualified tuition reduction, it may still qualify for an exclusion as an educational assistance plan or as a working condition fringe benefit, discussed earlier.

**NOTE:** Currently, the State of Delaware does not offer tuition waivers to state employees.

### Comparison of Code Sections Covering Educational Assistance

The following table is for quick reference. For more information, see the text, the relevant Internal Revenue Code sections, or Publication 570.

Feature	§127 Qualified Educational Assistance	§132(d) Working Condition Fringe	§117(d) Qualified Tuition Reduction
Written Plan Required	Yes	No	No
Undergraduate Courses Covered	Yes	Yes	Yes
Graduate Courses Covered	Yes	Yes	No*
Must Be Job Related	No	Yes	No
Courses Qualifying Employee for New Trade or Business Covered	Yes	No	Yes
Courses Needed to Meet Minimum Job Requirements Covered	Yes	No	Yes
Can Discriminate in Favor of Highly Compensated Employees	No	Yes	No
Dollar Limitation	Yes-\$5,250	No	No
Expiration date	None	None	None
<b>Definition of Employee Includes:</b>			
Current Employees	Yes	Yes	Yes
Family Members	No	No	Yes
Laid-Off Employees	Yes	No	No
Employees Retired or on Disability	Yes	No	Yes
Independent Contractors	No	Yes	No
<b>Educational Expenses Covered:</b>			
Tuition, Books, Supplies, Equipment	Yes	Yes	Tuition Only
Tools or Supplies, for class use only	No	No	No
Education Involving Sports, Games, Hobbies	No**	No**	Yes
Meals, Lodging or Transportation	No	Yes	No

\* See text for exceptions

\*\* Yes, if specifically job related

**Note:** These are general rules. For details, refer to the text and Publication 970.

### OTHER

Specific information concerning reporting guidelines is provided annually in the PHRST *Calendar Year-End Processing Memorandum*.

## **Delaware State Employee Merit Rules**

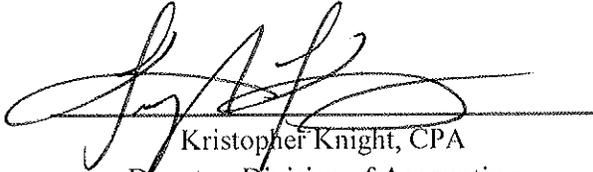
### Chapter 5.0 Employee Benefits

- Educational reimbursement shall be offered by agencies consistent with their budgetary allowances. Reimbursement will be made only upon submission of evidence of satisfactory completion accompanied by paid receipts. In exceptional circumstances, agencies may pay in advance of course completion. In such case, employees shall reimburse agencies if they do not submit evidence of satisfactory completion. Employees shall reimburse agencies for tuition and paid education leave if they do not submit evidence of satisfactory course completion or if they leave State employment within 6 months of course completion.

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Director, Division of Accounting

**Division of Accounting  
Payroll Compliance Group**

**Bulletin # 2012\_004  
Meal Provisions**

**INTRODUCTION**

Based on findings from the Statewide Compliance Examination of non-wage fringe benefits, the Division of Accounting Payroll Compliance Group (PCG) is publishing guidance on appropriate tax treatment of Meal provisions.

This bulletin covers tax implications associated with non-cash fringe benefits. Please contact your HR office for your Organizations' policy regarding meal reimbursements and allowances.

**FACTS**

Fringe benefits include any compensation other than cash wages. The general rule is that the compensation is taxable; however, the Internal Revenue Code provides exclusions for numerous forms of non-cash compensation provided to employees including meals. Taxation rules vary according to whether the provision of meals or meal allowances is a working condition fringe benefit.

**DEFINITIONS**

- **De Minimis Fringe Benefit** – any property or service whose value is so small as to make accounting for it unreasonable or administratively impractical.
  - De minimis fringe benefits are excluded from taxable income.
  - Federal and State regulations do not set a defined amount for the nominal value.
  - Items of little individual value are not de minimis if given frequently to the same person.
- **Accountable Plan** – a plan that meets the requirements as specified by the IRS.
  - Reimbursed expenses paid in connection with the performance of services for the employer.
  - The employee substantiates the reimbursed expense to the employer.
  - The employee returns amounts paid by the employer that exceed substantiated expenses.
- **Nonaccountable Plan** – a payment or reimbursement arrangement that does not meet requirements of an accountable plan – payments under such plans are wages and subject to withholding.
- **In-Kind** – payments made in something other than cash.

**FINDINGS**

To determine if meal reimbursements are excludable from wages, employers must consider general fringe benefit rules as well as regulations included in several sections of the Internal Revenue Code.

## REGULATORY REFERENCES

In rendering this opinion, we reviewed the applicable Code, Regulations, and laws as cited below.

### Internal Revenue Service (IRS)

#### Internal Revenue Code (IRC) §119

Federal law takes precedence over a state statute or an employment or union contract in determining the Federal tax liability for furnished meals. The actual facts and circumstances and the requirements of IRC §119 determine the liability for Federal income, social security and Medicare taxes.

The fair market value of meals furnished to an employee by an employer may be nontaxable to the employee. IRC §119 provides an exclusion for meals under certain circumstances.

Certain meal money benefits are considered to be de minimis fringes. The regulation sets out three conditions that must be fulfilled in order for such benefits to constitute de minimis fringes:

#### IRC §132(e)(1) –

- With the exception of certain meal money benefits, discussed below, the provision of any cash or cash equivalent benefit is never excludable as a de minimis fringe because it can reasonably and practicably be accounted for.
  - If meal reimbursements are provided as part of a company policy or union contract, they are not excludable as de minimis benefits, because the benefit is required and is not occasional. The employer would normally have the opportunity to set up the administrative procedures for reporting the benefit, so accounting for it does not meet the “administratively impracticable” standard for de minimis benefits.
  - In no event shall meal money calculated on the basis of the number of hours worked be considered a de minimis fringe benefit (i.e., \$1.00 per hour for each hour over eight hours).
- **De Minimis Meals – IRS Publication 15b – Employer’s Tax Guide to Fringe Benefits**
    - Infrequent meals of minimal value may be excludable as a de minimis fringe benefit if accounting for them would be unreasonable or administratively impracticable. Examples:
      - Coffee, doughnuts, or soft drinks.
      - Occasional parties or picnics for employees and their guests.
    - Occasional meals provided for overtime work that requires an extension of the employee’s normal work schedule.
      - Meals provided on the employer’s premises or meal money expended for meals that are consumed during the overtime period, satisfy this condition.
- **Meals on Business Premises – Reg. §1.119-1(a)(2) and (e) ; IRC §119(b)(3)**
    - The value of meals furnished to an employee is excludable if they meet the following tests:
      - Furnished on business premises (generally where the employee performs most duties).
      - Furnished for employer convenience.
        - Provided for a substantial “noncompensatory” reason.
          - Workers need to be on call for emergencies during the lunch period.
            - Must have evidence that emergencies occur.
          - Nature of business (not just a preference) requires short lunch period.
          - Eating facilities are not available in the area of work.
          - Meals furnished to cafeteria staff before, during or after work hours.

- If more than half of the employees are furnished meals for employer convenience, treat all meals furnished to employees on premises as furnished for your convenience.
  - Meals are furnished immediately after working hours because the employee's duties prevented him or her from obtaining a meal during working hours.
  - The intention is not to provide additional pay for the employee.
  - Meals provided with a charge may or may not be considered for the "convenience of the employer." If there is a mandatory charge or deduction from the employee's pay for meals, gross income to the employee is reduced by this amount.
    - Contract or Collective Bargaining Agreement language is not a consideration.
    - A written statement that meals are furnished for your convenience is not sufficient.
  - Exclusion does not apply if employees may choose to receive additional pay instead of meals.
- **In-Kind – IRC§119**
  - "In-Kind" meals, are meals provided on-site for the benefit of the employer (not taxable).
  - Meal allowances (cash or cash equivalent) for meals provided on-site, for the benefit of the employer, are taxable; known as "Wages In-Kind."
- **Meals Furnished With a Charge – IRC§119(a)(2); IRC §119(b)(3)**
  - If an employer charges an employee a fixed amount for a meal, regardless of whether the employee takes the meal, the employee's taxable wages are reduced by the amount of the charge.
  - If *not* provided for the convenience of the employer, the FMV of meal is then added to the wages. Generally, the FMV of the meal will be the amount charged to the employee for the meal, resulting in no net tax effect.
- **Meals *Not* Provided for the Convenience of Employer – Reg. §1.119-1(a)(2)**
  - Meals provided before/after working hours are not for the convenience of employer, unless:
    - Provided for a restaurant or cafeteria employee, or
    - Duties prevent the employee from taking a meal until immediately after work hours.
- **Optional Meal for Purchase – IRC§119(b)(3)**
  - An optional meal is generally not considered as "provided for the convenience of the employer." If an employer provides a meal that an employee may choose to purchase, the employee's taxable wages are *not* reduced by the amount the employee pays for the meal. If the meal is not for the convenience of the employer, the FMV of the meal, less any amount charged by the employer, is included in the employee's wages.
- **Substantiating Employee Meal Expense Reimbursements**
  - Meal expense reimbursements or allowances must meet the accountable plan (see Definitions above) rules in order to be excludable from wages.

## **DELAWARE CODE**

- Title 29, Chapter 51 General Provisions:
  - § 5112. Employees not to be supplied with, nor reimbursed for, food consumed during working hours; exceptions.
    - (a) No full-time employee of the State whose salary is paid by the State shall receive any additional stipend for the purchase of food, be supplied with food or be reimbursed for food that was consumed during normal working hours within the State.
    - (b) Subsection (a) of this section shall not apply to:

- (1) Employees of state agencies who regularly receive wages in-kind in addition to their salaries;
- (2) Employees of the Delaware Economic Development Office;
- (3) The expenditures of funds for food supplies as part of employee recognition activities established pursuant to § 5950 of this title;
- (4) The expenditures of funds for food supplied as part of an agency training function, such as a retreat or workshop, held away from the agency's home location.
- (5) State Police recruits during the period of their training; or
- (6) Circumstances where approval has been granted by the Director of the Office of Management and Budget and the Controller General.

#### **OTHER**

- Refer to the Office of Management and Budget (OMB), *Meal Reimbursement Policy* provides guidelines for state agencies for the reimbursement of meals when working overtime. [http://intranet.omb.state.de.us/policies/documents/omb\\_meal\\_reimb\\_032410.pdf](http://intranet.omb.state.de.us/policies/documents/omb_meal_reimb_032410.pdf)
- Refer to the OMB *Travel Policy* for state agencies for reimbursement of meal expenses incurred during out-of-state travel.  
[http://intranet.omb.state.de.us/policies/documents/omb\\_travel\\_policy\\_070111.pdf](http://intranet.omb.state.de.us/policies/documents/omb_travel_policy_070111.pdf)
- Refer to the Budget and Accounting Policy Manual, Chapter 11, *Travel Policy*, for the policy regarding reimbursement of meal expenses incurred during out-of-state travel.  
<http://budget.delaware.gov/accounting-manual/chapter11v43.pdf>

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