

Chapter 25 - Payroll

25.30

Wage Computations

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25.30 Wage Computations

25.30.10 Pay dates

The Controller's Office shall pay the salaries of all state employees on the bi-weekly pay dates established by the Contract and defined by the Controller's Office.

25.30.20 Taxable fringe benefits

Any property or service that an employee receives from an employer in place of or along with regular wages is a fringe benefit that may be subject to federal employment taxes. If taxable, these benefits are included in gross income and subject to federal income, OASI, and Medicare taxes.

Refer to IRS regulations for the appropriate calendar year regarding specific taxation, valuation, and reporting information. IRS Publication 15-B "Employer's Guide to Taxable Fringe Benefits" provides detailed information on several types of benefits and is available at <http://www.irs.gov/pub/irs-pdf/p15b.pdf>.

Fringe benefits that are taxable under certain circumstances include, but are not limited to:

- Awards and prizes
- Personal use of agency provided vehicles, such as commuting between official residence and official workstation
- Clothing allowances
- Educational assistance
- Lodging
- Meals
- Moving expenses
- Unspent, unreturned travel advances

25.30.30 Non-cash employee benefits

Non-cash benefits are benefits the State of Maine provides to its employees in exchange for services provided by those employees to the State of Maine. These non-cash benefits are assigned a value and are reported on an employee's W-2 as earned income. These benefits are recorded in the state payroll system and reported on the employee's W-2. Please refer to IRS Publication 15-B, "Employers Tax Guide To Fringe Benefits" for additional guidance on non-cash fringe benefits and their valuations.

Some examples of non-cash benefits are listed below.

25.30.30.a Non-Cash Benefits include:

- State or Leased Car Usage
- Group Term Life Insurance Coverage (Imputed Income)

25.30.30.b Housing Allowances

Employees who either live in state owned property or a property in which the state pays the rent on the employee's behalf are receiving a housing allowance benefit. This non-cash benefit is a W-2 tax reportable event.

25.30.30.c State or Leased Car Usage

Employees who have the use of a state owned car for domicile travel or who use a car owned or leased by the state are receiving a state car usage benefit.

25.30.30.d Group Term Life Insurance (Imputed Income)

The State of Maine provides Group Term Life Insurance with a value of \$50,000 or less. It is a tax-free benefit to the employee, if it is provided in a non-discriminatory fashion. The value of the cost of the coverage in excess of \$50,000 is a non-cash benefit and must be reported on the employee's W-2.