

Fringe Benefits Tax Info Sheet (2010)

VALUING PERSONAL USE OF COMPANY OWNED AUTOS

An employer can value an employee's use of a company car (for income tax withholding, payroll taxes and W-2 reporting) based on what it would cost the employee to lease a comparable car. Since this is usually impractical, three special valuation methods are available to employees.

Availability of Special Valuation Methods			
	Annual Lease Value	Commuting Value	Cents per Mile
Car provided to control employee	OK	Can't Use	OK
Car's FMV over \$15,300 (\$16,000 for light trucks and vans) in 2010	OK	OK	Can't Use
Non- <i>de minimis</i> personal use other than commuting	OK	Can't Use	OK
Car (1) not regularly used for business and (2) driven <10,000 miles/year	OK	OK	Can't Use

Annual lease value (ALV) is based on an auto's fair market value (FMV) on the day made available to an employee for personal use. The personal-use percentage (based on miles driven in the year) of the ALV is taxable income to the employee.

Annual Lease Value Table	
Automobile FMV	Annual Lease Value
\$ 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
24,000 to 24,999	6,600
25,000 to 25,999	6,850
26,000 to 27,999	7,250
28,000 to 29,999	7,750
30,000 to 31,999	8,250
32,000 to 33,999	8,750
34,000 to 35,999	9,250
36,000 to 37,999	9,750
38,000 to 39,999	10,250
40,000 to 41,999	10,750
42,000 to 43,999	11,250
44,000 to 45,999	11,750
46,000 to 47,999	12,250
48,000 to 49,999	12,750
50,000 to 51,999	13,250
52,000 to 53,999	13,750
54,000 to 55,999	14,250
56,000 to 57,999	14,750
58,000 to 59,999	15,250
If FMV > \$59,999, ALV equals (.25 × FMV) + \$500.	
Employer-provided fuel must be added at FMV or at 5.5¢ per mile.	

HEALTH SAVINGS ACCOUNTS

Individuals whose only health insurance is a high deductible health plan can make HSA contributions.

High Deductible Health Plans (2010)		
Coverage	Minimum Annual Deductible	Out-of-Pocket Expense Limit*
Individual	\$ 1,200	\$ 5,950
Family	\$ 2,400	\$ 11,900


* Policy premiums don't count as out-of-pocket expenses.

2010 HSA Contribution Limits	
Individual has Self-Only Coverage	\$ 3,050
Individual has Family Coverage	\$ 6,150
Additional deductible contribution for taxpayers age 55 – 65	\$ 1,000

FRINGE BENEFITS

Permitted Cafeteria Plan Benefits	
Tax-Free Benefits	Taxable Benefits
<ul style="list-style-type: none"> • Accident and health insurance premiums including for accidental death or dismemberment insurance and dental insurance. • Premiums for COBRA coverage. • Contributions to Health Savings Accounts. • Contributions to a 401(k) plan. • Group-term life insurance coverage (up to \$50,000). • Disability insurance coverage. • Dependent care assistance (up to \$5,000). • Flexible spending account (FSA) arrangements for medical expenses, adoption expenses or dependent care assistance. 	<ul style="list-style-type: none"> • Premiums for group-term life insurance over the \$50,000 tax-free coverage limit. • Medical coverage, group-term life insurance coverage and benefits under a dependent care assistance program that are taxable income to the recipient employee because applicable nondiscrimination requirements for these benefits are not met.

Monthly Imputed Income per \$1,000 of Group-Term Life Insurance Coverage	
Employee's Age	Imputed Cost
Under 25	\$.05
25 through 29	.06
30 through 34	.08
35 through 39	.09
40 through 44	.10
45 through 49	.15
50 through 54	.23
55 through 59	.43
60 through 64	.66
65 through 69	1.27
70 and older	2.06

 **Note:** Table cost is pro-rated if less than a full month of coverage.