

Tax-Free Reimbursements

Non-Taxable Forms of Compensation for Employees



Compliments of Nannyology

Families looking to maximize their tax savings can offer certain benefits to their household employee and have them be considered non-taxable compensation. This means no taxes are applied to the value of the benefit for both the employer and the employee.

The IRS-approved benefits for households are:

- Health Insurance premiums from a state-licensed insurance provider

Note: Families with 2 or more employees must set up a Qualified Small Employer Health Reimbursement Arrangement (QSEHRA), an Individual Coverage Health Reimbursement Arrangement (ICHRA) or purchase a policy through SHOP (Small Business Health Options Program) to gain this benefit.

- Up to \$5,250 per year towards tuition & books for an accredited college or university
- Up to \$270 per month toward public transportation to and from the worksite

Note: Families in Massachusetts are only able to provide \$130 per month toward this benefit

- Up to \$270 per month towards parking at the job-site and/or at the public transportation facility
- Cell phone service - provided that using the phone is a necessary requirement for the job.
- Mileage reimbursement - paid at 57.5 cents per mile for miles driven in their vehicle while on the clock. Miles commuting to and from the workplace are not eligible.

Strategically-structured payroll can save you and your employee a considerable amount of money each year. We're happy to help you budget for your caregiver's payroll by including any of these forms of non-taxable compensation. Give us a call and we'll work through the details together.



If you have any additional questions, [visit our website](#) or call for a free consultation at 877-367-1969. We're here to help!