

Significant Employee & Fringe Benefit Provisions After the *Tax Cuts and Jobs Act*

What's New*?

- Employer credit for paid family & medical leave; effective for wages paid before January 1, 2020
- Extended rollover period for certain retirement plan offset amounts
- Revised definition of "covered employee" under excessive employee remuneration rules
- Qualified employees allowed to elect to defer recognition of income attributable to qualified stock
- Definition of "employee achievement award" clarified to exclude cash & gift cards
- Inflation-indexed tax parameters, *e.g.*, the regular income tax brackets, the basic & additional standard deduction & certain thresholds, are now based on the Chained Consumer Price Index for All Urban Consumers (C-CPI-U)

What's Gone*?

- Employee deduction & income exclusion for moving expenses, except for active-duty members of the armed forces[^]
- Employee income exclusion for qualified bicycle commuting reimbursements[^]
- 100 percent deduction for on-premises meals for the employer's convenience (reverts to 50 percent deductibility; no deduction allowed after December 31, 2025)
- Miscellaneous itemized deduction for unreimbursed employee business expenses[^]
- Employer deduction for qualified mass transit & parking benefits
- Individual shared responsibility payment under the Affordable Care Act is reduced to zero for months beginning after December 31, 2018

What Didn't Change?

- Employee deduction & income exclusion for contributions to medical savings accounts
- Work Opportunity Tax Credit
- Employer-provided child care credit
- Credit for portion of employer Social Security taxes paid with respect to employee tips
- Treatment of nonqualified deferred compensation
- Employer deduction for moving expenses paid for an employee & included in W-2 wages
- Shared responsibility provisions for applicable large employers under the Affordable Care Act (the employer mandate)
- Employee income exclusions for:
 - o Qualified mass transit & parking benefits
 - o Employer-paid adoption benefits
 - o Dependent care assistance programs
 - o Employer-provided housing
 - o Educational assistance programs

Heads up! While the employer's deduction for qualified mass transit and parking benefits is disallowed, the employee income exclusion for these benefits (except qualified bicycle commuting reimbursements) did not change.

** Unless stated otherwise, these provisions generally apply to tax years beginning after 2017.*

^ Expires after December 31, 2025, except amounts would continue to be indexed for inflation using C-CPI-U, where applicable.