

What is the Legal Fringe Benefit on my year-end paycheck?



February 2016

The legal fringe benefit of \$49.18 that you are seeing on your year-end paycheck in 2015 is a taxable benefit provided to Active members of the Fund who are eligible for the legal benefits provided by Suffolk County Municipal Employees Benefit Fund. The fringe benefit, which is included in your annual gross wages on your W-2, is a benefit that the IRS considers taxable. (This dates back all the way to the 1992 when section 120 of the Internal Revenue Service Code was not renewed, thus making the benefit taxable.)

An annual estimate is calculated by taking the total Legal Benefit claims paid and processed, then prorating it by the number of active participants at the time of assessment. Given the fact that these figures must be calculated before the year-end payroll reports are filed; the total fringe benefit is determined by using the Fund's Income Statement totals from a fiscal period, November 1st through October 31st. Each year a copy of the Fund's Annual Financial Report is distributed to the members in the Fund Newsletter at some point mid-year.