

## Important Announcement Regarding Bonuses Paid to Employees



**Bonuses over \$25 paid to employees must be included in employee's taxable wages on Form W-2. This includes prepaid credit cards, gift certificates, etc.** You are required to withhold Social Security and Medicare tax on bonuses paid. Employee bonuses may be subject to federal and state withholding taxes as well.

If you have a company retirement plan, such as a SIMPLE or 401(k), you may be required to withhold contributions and pay the employer match on bonus payments. Refer to your plan document or call your plan administrator for details.

Any de minimis fringe benefits (noncash items under \$50, such as a ham, turkey, etc.) given to employees do NOT need to be included in employee W-2 wages.

Compliments of:



207 East Ninth ♦ Winfield, Kansas 67156