

# Fringe Benefits



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## *What's New and Filing Instructions*

Enclosed is the 2nd Qtr. 2021 Update Package for our *Fringe Benefits* manual—the authoritative guidebook for employers, administrators, and advisors.

This quarterly update package includes replacement pages for the Outline and Appendix. Please see the filing instructions at the end of this letter for a detailed explanation of what pages to remove and replace in your manual.

### Subscription Information

EBIA's *Fringe Benefits* manual is updated quarterly.

Before you file this update, please be sure that your book is current. The box at the top of the title page in your binder should say "1st Qtr. 2021 Edition." Once you have determined that the 1st Qtr. 2021 update is in your manual, begin filing the 2nd Qtr. 2021 update, following the instructions in the table below.

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We have made numerous changes to the Outline and Appendix. Here are some highlights:

- **Employer-Provided Meals**
  - Section XVI has been updated to reflect IRS guidance clarifying what qualifies as “food or beverages provided by a restaurant” for purposes of the amendment to Code § 274 that restored a 100% deduction for restaurant meals in 2021 and 2022. We consider the potential effect of the guidance on the employer’s deduction for meals excludable under Code § 119 or 132(e)(2), and whether delivered restaurant meals will meet the Code § 119 exclusion’s requirement that meals provided for the convenience of the employer be furnished “in-kind.”
- **Qualified Educational Assistance Programs**
  - In Section X, we discuss the potential impact of temporary student loan relief and proposals for long-term loan forgiveness on employers’ willingness to extend qualified educational assistance benefits to the repayment of student loans (as permitted through 2025). We have also added new examples of excludable business-related education and revisited our discussion of the general priority rule in Code § 132(l) to note commentary questioning whether the working condition fringe benefit rule should only apply to graduate tuition reductions for university employees if the reductions are covered by a qualified educational assistance program and exceed the applicable dollar limit.
- **Other Changes**
  - We have added new examples to our discussion of group-term life insurance in Section XIV that illustrate how imputed income is determined when an employer pays for basic coverage and employees pay for supplemental coverage. We have revisited our coverage of “unlimited” PTO plan in Section XXII to highlight more issues that should be considered before adopting that design. And we have revised Section IV to look more closely at Code § 274(l)’s disallowance of employer deductions for commuting use of a company car.
- **Appendix Tabs.** Changes have also been made to the Appendix Tabs. Those are highlighted in the second table below.

(over, please)

### Filing Instructions for Outline:

Take Out & Toss	Insert These Pages	Take Out & Toss	Insert These Pages
Title Page, dated 1st Qtr. 2021	Title Page, dated 2nd Qtr. 2021	Outline: pages 915-922	pages 915-922F
Table of Contents: pages iii-vii	pages iii-vii	Outline: pages 1031-1046	pages 1031-1050
Outline: pages 53-54F	pages 53-54F	Outline: pages 1341-1342	pages 1341-1342B
Outline: pages 57-60	pages 57-60	Outline: pages 1347-1348B	pages 1347-1348B
Outline: pages 63-64	pages 63-64	Outline: pages 1355-1356	pages 1355-1356
Outline: pages 69-70B	pages 69-70B	Outline: pages 1358A-1362	pages 1358A-1362
Outline: pages 201-202	pages 201-202	Outline: pages 1452A-1454	pages 1452A-1454
Outline: pages 205-208	pages 205-208	Outline: pages 1501-1504B	pages 1501-1504B
Outline: pages 551-554D	pages 551-554F	Index & Glossary Tab: pages 1-6	New Index & Glossary pages 1-6

### Filing Instructions for Appendix:

Take Out & Toss	Insert These Pages
Tab 5: pages 1-2	pages 1-2 [Updated TOC]
Tab 5: pages 221-222	pages 221-222 [Updated sample document]

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