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LIST OF SUBSTANTIVE CHANGES AND ADDITIONS

PPC's Guide to Compensation and Benefits

20th Edition (March 2019)

Highlights of this Edition

The following are some of the important new features of the 2019 Edition of *PPC's Guide to Compensation and Benefits*:

- **Qualified Equity Grants under IRC Sec. 83(i).** This edition has been updated with the most recent guidance on the Section 83(i) election for qualified equity grants, including discussions on income tax withholding requirements and escrow arrangement requirements.
- **Employee Qualified Parking Benefits.** The provisions for qualified transportation fringe benefits underwent several changes as a result of the Tax Cuts and Jobs Act (TCJA). The discussion of qualified transportation benefits has been updated for the most recent IRS guidance, including Notice 2018-99 on how an employer determines the amount of nondeductible qualified parking expenses.
- **Business Meals and Entertainment Expenses.** This update includes the most recent IRS guidance on the treatment of deductible business meals and meal expenses that are considered nondeductible entertainment expenses.

In addition to these featured items, your *Guide* includes the following update items detailed below.

<u>Chapter</u>	<u>Substantive Changes and Additions</u>	<u>Reference</u>
CHAPTER 3 Standard Items of Compensation	1. This edition includes a note to convey the potential need to extend a shareholder or employee's statute of limitation for amending a tax return in case of an entity's IRS examination that has a likelihood of requiring recharacterization of compensation income to dividend income.	Section 303
	2. The <i>Guide's</i> discussion on the Section 162(m) compensation limitation has been updated for new IRS guidance implementing changes made by the TCJA.	Section 303
	3. The discussion on what is considered supplemental wages and the withholding requirements for supplemental wages has been moved to this new section.	Section 304
	4. The discussion on paying death benefits for an employee by using the proceeds from employer-owned life insurance has been enhanced in this edition.	Section 306

<u>Chapter</u>	<u>Substantive Changes and Additions</u>	<u>Reference</u>
CHAPTER 4 Executive Compensation Plans	1. The discussion on the Section 83(i) election has been updated with the most recent IRS guidance, including the requirement for an employer to set up an escrow arrangement to guarantee that funds are available for the federal income tax withholding obligation.	Section 410
	2. A discussion on the advantages and disadvantages of offering employees an arrangement that qualifies for the Section 83(i) election has been added in this edition.	Section 410
CHAPTER 5 Section 132 Fringe Benefits	1. A note has been added to this edition to emphasize how the change in deductibility of entertainment expenses impacts expenses eligible for working condition fringe benefit treatment.	Section 508
	2. Information on an IRS Action on Decision regarding a taxpayer's ability to treat pregame meals as a <i>de minimis</i> benefit has been added.	Section 510
	3. This update includes information from IRS Notice 2018-75 clarifying how moving expenses incurred prior to 2018, but paid or reimbursed on or after January 1, 2018, are handled.	Section 511
	4. Guidance from IRS Notice 2018-99 on how an employer determines the amount of qualified parking expenses that are not deductible has been added in this update.	Section 512
CHAPTER 6 Employer-provided Transportation	1. A discussion on the employer's income tax deduction limitation when an employer-provided aircraft is used for personal flights has been added in this section.	Section 607
CHAPTER 9 Employee Travel and Entertainment as Compensation	1. This section includes an example to illustrate the most recent guidance on how companion travel costs are handled.	Section 904
	2. This edition includes information from IRS Notice 2018-76 concerning when business meals are considered deductible as a business expense.	Section 907
	3. The most recent guidance from the IRS concerning which expenses are considered nondeductible entertainment expenses and how reimbursements of those expenses are handled has been added in this update.	Section 908
	4. Guidance has been added from two IRS rulings regarding when the Section 119 exclusion for meals provided for an employer's convenience applies.	Sections 909 and 910
CHAPTER 10 Per Diem Travel Allowance Plans	1. This edition has been updated for the 2019 federal meal and incidental expense rate components.	Appendix 10D
CHAPTER 11 Regulatory Issues	1. Information on a case in which the ERISA voluntary plan safe harbor was not allowed has been added in this update.	Section 1101
	2. This section has been updated with information on the Fifth Circuit's decision regarding the DOL fiduciary regulation on investment advice.	Section 1105
CHAPTER 14 Educational Assistance Programs	1. Information on a case in which tuition waiver benefits were considered taxable income has been added in this update.	Section 1407

<u>Chapter</u>	<u>Substantive Changes and Additions</u>	<u>Reference</u>
CHAPTER 16 Health Plans	<ol style="list-style-type: none"> 2. A discussion on offering student loan repayment benefits has been added in this edition. 1. Discussions have been added in this edition on proposed regulations that would allow HRAs to be offered beginning in 2020 that are integrated with health insurance plans sold in the individual market, or that can reimburse an employee solely for excepted benefits. 	Section 1407 Section 1605
CHAPTER 20 Qualified Retirement Plans	<ol style="list-style-type: none"> 2. This section has been updated with guidance from IRS Notice 2018-71 regarding the employer credit for paid family and medical leave. 1. This edition includes a discussion on the changes to the hardship distribution rules and guidance from the proposed regulations issued in late 2018. 2. This section has been updated with information on the Fifth Circuit's recent decision vacating the DOL fiduciary regulation on investment advice. 	Section 1619 Section 2003 Section 2005

