



# Taxable Benefits Made Easy

Disclaimer: Tax laws vary greatly by country, province, state, and municipality, so please contact your financial team to learn about specific tax laws.

Many benefits and perks provided to employees are considered taxable benefits. Whether it's a gym membership, cell phone plan, redeemed rewards, or a gift card, they're all considered a taxable benefit. Tracking and reporting taxable benefits may sound complex or time-consuming, but they don't have to be when using the right tools.

Thanks to Guusto's robust reporting, you can easily report on taxable benefits on a frequent basis. The benefits of recognizing your employees far outweigh the small amount of time it will take you to process their taxable benefits.

## Guusto Makes Taxable Benefits Easy

With Guusto, you're able to pull a taxable benefit report which will show you the dollar value claimed by each individual over a given time period.

To get to the taxable benefits report, sign into an **admin Guusto account**. From there, go to "Teams" and navigate to "Manage Gifting". At the top of this page you'll see a header called "Taxable Benefits".

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Dunder Mifflin

CAD

Dashboard

Send Gifts

Gift Reports

Account Funds

Redeem Gifts 329

Nomination Box

ADMIN

Teams

Manage Teams

Manage Members

Manage Funds

Manage Gifting

Manage Nominations

Settings

Billing

Team Gift Reports

Team Balance  
\$15,395.00 CAD  
Add Funds

Overview

Order History

Expenses

Taxable Benefits

Gift Reasons

The Taxable Benefit Report is determined based on when the gift was claimed, not its sent date.

This Year

Filter

Michael

Go

Export

CLAIMED BY	EMAIL	EMPLOYEE #	COST CENTER	ADMIN NOTES	# CLAIMED	CLAIMED
Michael Scott	demo@guusto.com	123456	123456	Admin Notes	7	\$230.00

1

Items per page 10





# Taxable Benefits Made Easy

From here, you can filter the taxable benefits report by parameters such as date and location.

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Manage Teams

Manage Members

Manage Funds

Manage Gifting

Team Gift Reports

Team Balance \$15,395.00 CAD

OverviewOrder HistoryExpensesTaxable BenefitsGift Reasons

The Taxable Benefit Report is determined based on when the gift was claimed, not its sent date.

This Year

Filter 1

Search

Go

Export

CLAIMED BY

Michael Scott

5

North East Region

Scranton Branch

Search Admin Notes

Clear

Apply

EMPLOYEE #

123456

COST CENTER

123456

ADMIN NOTES

Admin Notes

# CLAIMED

7

CLAIMED

\$230.00

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Team Gift Reports

Team Balance \$15,395.00 CAD

OverviewOrder HistoryExpensesTaxable BenefitsGift Reasons

The Taxable Benefit Report is determined based on when the gift was claimed, not its sent date.

This Year

Filter

Search

Go

Export

Last 12 Months

This Month

Last 30 Days

This Year

All Time

Custom

Clear

Apply

EMPLOYEE #

123456

COST CENTER

123456

ADMIN NOTES

Admin Notes

# CLAIMED

7

CLAIMED

\$230.00

To export the report, click “Export” on the right side of the screen.

This report can be uploaded into most payroll systems. Your payroll system will then process the taxable benefit and withholdings automatically, making it a light lift for your finance team.

If you encounter challenges uploading the taxable benefits document, please reach out to your payroll system provider as they can provide more guidance for their specific product.



## What will my employees see?

Once you process the taxable benefit report in your payroll system, the employee's pay stub, as well as their year-end tax form, will reflect the gifts claimed and any taxes withheld.

## What is grossing up?

Because the employee will pay taxes on the gift received, some companies will choose to "gross up" the benefit.

Grossing-up is the practice of topping up the amount an employee receives to cover the tax they'll be charged. Let's say you have an employee at a 30% tax rate who receives a \$100 gift card. Without being grossed up, they'll receive the full amount of the gift card and then have \$30 of tax deducted from their paycheck.

If you were to gross up the benefit, you would give the employee a \$136 gift card with an explanation that \$36 of it is to offset the tax deduction. The decision to gross up your employee benefits is an individual business decision and there's no right or wrong answer.

## Are taxable rewards right for you?

We know nobody likes paying taxes. However, employees almost always appreciate being recognized and receiving a gift that is relevant to them, even if it is taxable. And a taxable gift card, that the employee can spend where they like, is preferable to a set gift card that would be taxed but not necessarily used by the employee.

You may also consider a points-based reward system thinking points can't be taxed. But while the points employees earn are not taxed, the rewards redeemed using points are taxable. A points system is actually more difficult when it comes to taxes due to a lack of transparency around the value of the reward, which can lead to confusion for your accounting team and your employees.

By choosing a gift card-based reward system, the value of the gift is easily understood by everyone.

Contact us to book a [demo](#) today.