



## **e-Alert: The Tax Cuts and Jobs Act: Benefits implications for employers**

### **Background**

With the signing of the Tax Cuts and Jobs Act at the end of 2017, employers can now begin to prepare for the impact. While the changes to the tax code will affect employers in many ways, this e-Alert is concerning the significant changes to employer provided benefit accounts. Many of these programs were discussed during negotiations but saw no changes in the final bill:

- Health Savings Accounts (HSAs)
- Healthcare flexible spending accounts (FSAs)
- Dependent care and adoption assistance programs
- Educational assistance programs
- Employer provided healthcare

### **What employers need to know**

These programs will see changes from the legislation:

- Commuter transit and parking programs: Employees will see no tax changes to these programs, but employers will no longer be able to deduct costs for subsidized or paid commuter benefits.
- Tax-free reimbursement of bicycle expenses is suspended through 2025. Employers may still offer the benefit, but it will no longer be deductible and the benefit will be taxable.
- Qualified moving expense reimbursements made by the employers will no longer be excludable from the employee's gross income.
- For tax years 2018 and 2019, employers who offer paid family and medical leave may qualify for a tax credit of up to 25% of the annual wages paid to those employees.

### **Next steps**

Employers will need to determine how these changes will affect their benefits offerings to employees, make necessary updates to policies, and communicate changes to employees. If you have questions please [contact us](#).

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