

# GROSS PAYROLL

## DEFINED



## What is Gross Payroll?

You are required to report gross payroll for all employees. Gross payroll is the payroll and remuneration (money or substitutes) paid to your workers before any deductions. For workers' compensation reporting purposes, gross payroll may not always match the types of payroll you submit to other agencies - the IRS, for example. Here are the most common examples of what is/isn't included in gross payroll. If you are unsure, contact your SIF Auditor or our Customer Relations Team at [CRT@idahosif.org](mailto:CRT@idahosif.org) for confirmation of whether something is or is not gross payroll.

### Gross payroll includes:

- Wages or salaries (including those paid retroactively)
- Commissions and commission advances
- Bonuses, including stock bonuses
- Overtime pay (reportable at straight-time wage)
- Holiday, vacation and sick pay
- Payment to employees other than time worked (piecework, profit sharing, etc)
- Unverifiable expense reimbursement (see exclusions below)
- The value of money substitutes (gift certificates, merchandise, credits)
- Employee-authorized deductions including
  - salary reduction,
  - employee savings plans,
  - retirement,
  - cafeteria plans (IRC 125),
  - health savings accounts,
  - flexible spending accounts

### Gross payroll does not include:

- Tips and other gratuities
- Payments by an employer to group insurance or group pension plans
- Dismissal or severance payments (except for time worked or vacation accrued)
- Active military duty pay
- Employee discounts on products
- Expense reimbursement and flat expense allowance payments if they meet all of the following conditions:
  - Payments incurred are for the business
  - The amount is shown separately in the records
  - It approximates the actual expense incurred by the employee
- Meal money
- Work uniform allowances
- Sick pay to an employee by a third party. (e.g. disability income benefits to a disabled employee)
- Employer-provided perks including:
  - Use of company automobiles
  - Airplane flights
  - Incentive vacations (e.g., contest winners)
  - Club memberships
  - Tickets to entertainment events
  - Educational assistance
  - Relocation and moving expenses
- Employer contributions to employee benefit plans such as:
  - Employee savings plans
  - Retirement plans
  - Cafeteria plans (IRC 125)
  - Health savings accounts
  - Flexible spending accounts

*Note: A maximum allowance of \$75 per day may be excluded if an employer did not maintain verifiable receipts for incurred expenses for an employee's overnight business trip. Include the remaining non-verifiable expenses like payroll.*



If you have questions about specific earnings, contact your SIF Auditor or our Customer Relations Team at [CRT@idahosif.org](mailto:CRT@idahosif.org).

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