

Perk Up Your Employees—They May Feel Better

Increasingly, employers are looking for ways to reinforce employee productivity and instill motivation for working toward company growth. As an employer, you may spend a lot of time focusing on salary levels, benefit plans, a positive work environment, and vacation schedules to perk up your employees. Another area that can motivate your workforce is a menu of fringe benefits. Benefits, here and there, may make a significant difference in the workplace environment and in the attitudes of your employees. Here are five "fringes" that may merit a closer look.

1. Qualified transportation fringes. Travel expenses, for many, can be rather costly, especially in heavily congested urban areas. Your employees may live near a transit line and commute to work. Or, they may drive to work and pay for parking. As their employer, you can provide cash reimbursement to your employees for transportation and parking and exclude the payments from their gross income. However, for each month in 2007 you can only reimburse up to \$110 for qualified public transportation (including van pools) and up to \$215 for qualified parking expenses.

2. Working condition fringes. Not all fringes involve reimbursements or advances. Suppose your company sells products or provides services that necessitate significant automobile travel. As a perk, you can provide a company car (even with a driver) for business use. Consequently, your employee's personal automobile will be spared the wear and tear. In addition, you can pay for an employee's business travel by airplane or train. Another working condition fringe would be to offer limited testing and evaluation of your products by employees away from the workplace.

3. No-additional-cost services. If your business offers services to customers, you may be able to offer those same services to your employees. As long as there is no loss of income, or additional cost to your business, you may offer the services to your employees free of charge. For example, an airline may offer a flight attendant the perk of flying for free on a "standby" basis. The flight costs nothing, and the employee is flying in an otherwise vacant seat. These types of fringe benefits also apply to certain employees of hotels, cruise ships, and telephone service companies.

4. Qualified employee discount. For businesses that sell products or provide services to customers, why not provide an employee discount? If you sell a product, your employee discount would be the current sale price multiplied by your "gross profit percentage." If your business provides services, the maximum discount in 2007 is limited to 20% of the current price at which your services are offered to your customers.

5. De minimis fringes. Even some smaller perks may, in fact, boost employee morale, reinforce productive work habits, or recognize special occasions. For instance, you may give tickets to a theatre or sporting event, organize a dinner at a restaurant, or give out flowers, fruit, or books for outstanding service, employee illness, or family crisis. As a result, your employees may sense these small gestures convey your appreciation of their efforts and give them a positive feeling of recognition.

Smaller but appreciated fringes may also involve giving occasional perks *within* the workplace. For example, if you ask an employee to work overtime, you may provide meal money and local transportation fare. As you are most familiar with your particular work environment, you may discover other creative perks your employees would be happy to receive.

Fringe benefits can play an important role in creating a positive work environment. They can help solidify a bond between you and your employees and increase employee loyalty. As a result, you may find one or more of these fringes appropriate for *your* business.