



MEAL PER DIEM, HOUSING AND MILEAGE BENEFITS **FREQUENTLY ASKED QUESTIONS**

HOW DO I QUALIFY FOR THE TAX-FREE MEAL PER DIEM, HOUSING AND MILEAGE BENEFITS?

There are three main tax rules that must be met for these travel benefits to be nontaxable compensation. 1) You *must have a permanent tax home*. 2) Your assignment *must not be within commuting distance of the permanent tax home*. 3) Your assignment including extensions *may not extend beyond one year*. Determining whether you have a permanent tax home can be complex and depends on your particular facts and circumstances. Detailed information is provided for all three rules in your Commitment Package.

WHAT IF I DO NOT MEET ONE OR MORE OF THESE RULES?

If you fail to meet the first or second rule, all travel benefits must be treated as taxable compensation from the beginning of the assignment. All meal per diems, housing allowances or housing costs paid directly by company, and mileage reimbursements will be taxable and subject to applicable payroll tax withholding. If you fail the one-year limit rule all of these travel benefits must be treated as taxable compensation as soon as it becomes known that the one-year limit will be exceeded. If you renew or extend an assignment beyond one year, it becomes known at the date of signing the renewal or extension that you will no longer meet the one-year limit rule. As a result, all travel benefits would become taxable on the date you signed the renewal or extension.

WHEN MUST THE TAX HOME DECLARATION BE COMPLETED?

The Tax Home Declaration Form must be completed prior to the start of your first assignment, upon the renewal of an assignment, and whenever you accept an assignment at another hospital. You should also complete the form if there is a change in your tax home status. The Tax Home Declaration Worksheet should be retained for your records.

WHO MAKES THE FINAL DETERMINATION ON WHETHER THE TRAVEL NURSE HAS A PERMANENT TAX HOME?

Determining your tax home status is very subjective and depends on your individual facts and circumstances. You must make the final determination and do so with the execution of the Tax Home Declaration Form. We highly recommend that you make this determination with the assistance of an independent tax advisor.

WHO MONITORS THE COMMUTING AND ONE-YEAR LIMIT RULES?

You and your consultant along with our Accounting Department will monitor both of these rules to determine if you do not satisfy one of these rules. If one of the rules is not satisfied, your meal per diem, housing and mileage benefits will be taxable.

WHY IS THE HOUSING SUBSIDY REPRESENTATION FORM REQUIRED?

In order to receive a tax-free housing subsidy, not only do the three rules above need to be met, but the company must also have a "reasonable belief" that temporary lodging expenses are actually incurred by you while away from your tax home on assignment. This form provides the company "reasonable belief" that you are incurring temporary lodging expenses while on your assignment.

Tax information contained in this document should not be considered tax advice and cannot be used by any person to avoid taxes or penalties that may be imposed by the IRS or any state. We recommend each taxpayer seek advice from an independent tax advisor.