

Davis Technical College

Employer Provided Clothing or Uniforms Procedure

Effective Date: March 20, 2019
Administrative Policy

1. Purpose

To define the procedure by which the institution designates required uniforms for specific positions and determines the taxable nature of College provided uniforms or clothing in order to ensure consistency across departments and compliance with Internal Revenue Service (IRS) regulations regarding taxable fringe benefits.

2. References

2.1. IRS publication 15-B Employers Tax Guide to Fringe Benefits

3. General

3.1. The election to require and provide Clothing or Uniforms for employees is made at the department level with approval from the Presidents Council and must be within budgetary constraints.

3.2. The purchase of uniforms or clothing that becomes the property of the employee may be considered a working-condition fringe benefit. The provision of employee uniforms are considered tax-exempt if the uniforms are:

3.2.1. Required as a condition of employment; and are

3.2.2. Of a distinctive nature and not adaptable to general or continued usage as ordinary clothing. Both conditions must be met for the exemption to be allowed.

3.3. Non-taxable clothing includes protective clothing. In compliance with the US Office of Safety and Health Administration (OSHA) Code of Federal Regulations (CFR) (29 CFR 1910.132.d). In such an instance where protective clothing is purchased, the supervisor shall:

3.3.1. Identify and justify the specific items of clothing required for the safety of the employee in performing the job.

3.3.2. The clothing must serve as a matter of employee protection and safety under OSHA rules to qualify as exempt from taxation.

3.4. Departments seeking to provide protective clothing for employees must provide a plan to Human Resources demonstrating both the need and specific regulations requiring the item(s) in order to add them to the position's job description.

3.5. The following chart is provided to help determine if clothing purchased for employees is considered taxable personal income to them.

Exclusion	Description	Examples
De Minimis: Dollar Amount or	Clothing of low value or where accounting for it is unreasonable or administratively impracticable, and	Shirts provided on an occasional basis to employees as a uniform for special

Administratively Impractical	that is purchased infrequently is a de minimis fringe benefit.	events (e.g., conferences, college activities, etc.)
Working Condition Fringe for Safety Purposes	Clothing that is required to be worn for the employee's safety and protection while on the job is excluded from taxable income.	Safety glasses, hard-hats, work gloves, steel-toed work boots, and other clothing required by OSHA regulations based on the employee's position & responsibilities.
Working Condition Fringe for Clothing not adaptable for non-work use	Clothing that is required to be worn as a condition of employment and is considered unsuitable for ordinary wear is excluded.	Uniforms worn by instructors, security personnel officers, health care professionals, Chef coats worn by employees in the Culinary Department, etc.
Working Condition Fringe for Clothing rented or returned after use at work	Clothing that is rented and/or returned to the College. The employee does not assume permanent possession of the clothing and returns the item at the end of their employment.	Rented uniforms worn by employees or clothing issued to employees that must be returned to the College upon termination of employment. Items not returned should be reported as taxable income.

4. Procedures

4.1. Departments wishing to require uniforms for their employees will create a written plan detailing the following elements:

4.1.1. Department name

4.1.2. Specific positions for which a uniform is required

4.1.3. Whether the uniform will be College provided or at the employee's expense.

4.1.4. Justification or purpose of the requirement.

4.1.4.1. Copy of regulatory statute (such as OSHA) demonstrating the need for the requirement.

4.1.5. Details on the uniform required and frequency of purchases.

4.1.6. Estimated cost information to institute the requirement as well as ongoing maintenance.

4.1.7. Funding source for any College program or department provided uniforms

4.1.8. Fiscal Services Office's review of the Plan determining if the requirement will create a taxable event for the employee.

4.2. The Plan will be presented to Presidents Council for approval.

4.3. The Human Resource Department will add approved uniform requirements to applicable job descriptions.

4.3.1. Once the uniform requirement is added to the job description both employees and their supervisors will be accountable to see that the approved uniform policy is followed.

4.3.2. Failure to comply, or unauthorized uniform modifications, should be handled as outlined under the College Disciplinary Sanctions of Personnel Policy for either the employee or supervisor.

4.4. The Human Resource Department will maintain a comprehensive list of approved department uniform Plans, as approved by Presidents Council, for clothing items provided to employees for the effected job descriptions.

4.5. The Bookstore will provide documentation to Human Resources as non-uniform clothing items are purchased using institutional funds so the appropriate amounts can be added to the employee's annual W2 Wage and Tax Statement.

4.5.1. Name of employee

4.5.2. Date and itemized detail of employer provided clothing or uniforms that includes pricing information.

4.6. The Human Resource department will enter the information into the payroll system to include the amount in the next payroll as a taxable fringe benefit, adding the total cost of the benefit to the employees' total wages for the year and calculate appropriate payroll taxes on the items.

5. Approval and Notes

President's Council Approval: 25 February 2019
Revised President's Council: 25 February 2019