

2% Shareholder treated as Partner (i.e., the costs to provide the benefits are deducted as compensation by the S corporation and reported as taxable compensation to the 2% shareholder)

- Premiums for accident and health insurance coverage for the shareholder, spouse and dependents
- Group-term life insurance coverage of up to \$50,000 per shareholder
- Disability insurance coverage
- Medical reimbursement plans
- Meals or lodging furnished for the convenience of the company
- Cafeteria plan (2% shareholder, spouse, child, grandchild or parent cannot participate in the cafeteria plan)
- Qualified transportation fringes
- Qualified employee achievement award
- Qualified adoption assistance program
- Health savings accounts
- Qualified moving expense reimbursements
- Other non *De minimis* fringe benefits

2% Shareholder treated as Employee (i.e., the cost to provide the benefits are deducted by the S corporation and the benefits are tax-free to the 2% shareholder)

- Qualified educational assistance program
- Qualified dependent care assistance program
- No-additional-cost services
- Qualified employee discounts
- Working condition fringe benefits
- *De minimis* fringe benefits
- On-premises athletic facilities
- Qualified retirement planning services