



Sandoval County

GYM MEMBERSHIP ELECTION & ACKNOWLEDGMENT FORM

___ **YES**, I would like to enroll myself and my eligible family members who are at least eighteen years of age in the **PRESBYTERIAN GYM BENEFIT** available through the medical insurance plan sponsored by Sandoval County. I have read the information provided regarding this benefit and have been given an opportunity to ask questions regarding how the gym membership works and what the Fair Market Value implications are for my biweekly payroll tax withholdings (*see back page for estimated tax implications*).

___ **I understand and acknowledge** that once this benefit becomes effective I cannot dis-enroll from the Presbyterian Gym Benefit until next Open Enrollment; or unless I am no longer eligible for employee benefits.

___ **I further acknowledge and agree** that if I elect to enroll in the Presbyterian Gym Benefit there will be no increase to my medical premium, but that I will be assessed the Fair Market Value of the gym membership, which will be subject to applicable tax withholdings through my biweekly paycheck pursuant to Internal Revenue Service regulations.

___ **NO**, I am not interested in participating in the PRESBYTERIAN GYM BENEFIT at this time. I understand I cannot enroll in the Presbyterian Gym Benefit until the next Sandoval County Annual Open Enrollment period.

Employee Printed Name

___/___/___
Date of Birth

___/___/___
Social Security #

Employee Signature

Date

QUESTIONS? Contact HR at 505-867-7506

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Fair Market Value & Imputed Income

Fair Market Value (FMV) of Presbyterian Value-added Gym Membership = \$43.09 per month

$\$43.09 \times 12 \text{ MONTHS} = \$517.08 \text{ ANNUALLY} / 26 \text{ pay periods} = \19.89 BI-WEEKLY

\$19.89 is the Imputed Income* on which you will be taxed Bi-weekly.

Your tax on \$19.89 will be based on your individual W-4 filing status and income tax bracket.

Examples of Estimated Monthly Costs (does not take W-4 status into account):

Monthly cost at 15% withholding rate: $\$19.89 \times 15\% = \2.98 biweekly cost or \$77.571 annually = **\$6.46 /month**

Monthly cost at a 20% withholding rate: $\$19.89 \times 20\% = \3.98 biweekly cost of \$103.43 annually = **\$8.62/month**

Monthly cost at a 25% withholding rate: $19.89 \times 25\% = \$4.97$ biweekly cost or \$129.28 annually = **\$10.77/month**

****What is Imputed Income?***

Imputed income is the addition of the value of cash/non-cash compensation to an employees' taxable wages in order to properly withhold income and employment taxes from the wages.

In this case, it is the addition of the value (FMV) of the employee's use of an athletic facility / gym that is not owned or leased by the employer. Absent the benefit being provided, the employee would ordinarily have to pay for their personal use of the athletic facility/gym.