

130.7 No Additional Cost Benefits

A no-additional cost service is defined as any service provided for use by the employee if the service is offered primarily for sale to students or third parties and Baylor incurs no substantial additional cost in providing the service to the employee. Examples of such no-additional cost services include:

- Use of Recreational Facilities
- Tickets
- Use of Communication Services

Examples:

Employees may be offered free tickets to an athletic event or music performance if there is excess capacity at the event. However, if the event is a sell-out, the free tickets become a taxable benefit, unless the employee pays the fair value of the tickets (see Qualified Employee Discounts)

An employee is assigned a university-provided mobile phone because the employee's duties require him or her to be available at all times. Though most of the activity on the mobile phone is for business purposes, the employee occasionally uses the phone for personal business. As long as no additional costs are incurred as a result of the personal activity, use of the phone is a non-taxable benefit.