

## Chapter 02 Compensation for Personal Services

- 100 Compensation means any form of payment made to an individual for services rendered as an employee for an employer; services performed as an employee representative and any separation or termination allowance. Compensation includes wages, salaries, bonuses, gifts, profit-sharing, commissions, tips, vacation pay, sick pay, medical benefits, disability, expense reimbursement, cash incentives, monetary value of non-cash incentives, and any other form of remuneration received in return for services. Compensation can be further defined as income received from the United States or any other state by officials or employees, thereof, whether in a civilian capacity or in the military or naval service, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, fees and other contributions received by a clergyman, evangelist or religious worker for services rendered.
- 101 Amounts withheld by the employer pursuant to the requirements of Federal and State Income Tax Laws, Federal Social Security Act, Civil Service Retirement Act, and similar retirement systems, unemployment compensation contracts, group life and health plans, stock purchase plans, etc., must be included in the gross income of the employee.
- 102 Pursuant to Miss. Code Ann. Section 27-7-16, amounts contributed to a tax-sheltered annuity plan, qualified retirement account and authorized deferred compensation plan shall not be considered elements of gross income in the tax year in which such amounts are deferred.
- 103 (Reserved)

*35.III.2.02 revised effective June 15, 2019*