Types of Benefits by Tax Treatment

Mandatory
- Social Security retirement (OASI)
- Social Security disability (DI)
- Medicare Part A (Social Security HI)
- Workers' compensation
- Unemployment insurance
- Medicaid
- Supplemental Security Income (SSI)
- Public assistance

Voluntary

Fully Taxable
- Vacations
- Paid lunch
- Rest periods
- Severance pay
- Cash bonuses and awards
- Legal assistance

Tax Exempt
- Employee and dependent health insurance
- Retiree health insurance
- Dental insurance
- Vision insurance
- Medicare Part B (Social Security SMI)
- Educational assistance
- Child care

Tax Deferred
- Keogh plans
- Defined benefit pension plans
- Defined contribution retirement plans
  - money purchase pension plans
  - deferred profit-sharing plans
  - savings and thrift plans
  - employee stock ownership plans
  - stock bonus plans
  - simplified employee pension plans
  - individual retirement account plans
  - cash or deferred arrangements
    - Sec. 401(k)
    - Sec. 403(b)
    - Sec. 457

Other Tax Preferred
- Life insurance
- Long-term disability insurance
- Sick leave or sickness and accident insurance
- Other leave (maternity, funeral, jury, etc.)

Source: Employee Benefit Research Institute.