

## **RHODE ISLAND DEPARTMENT OF LABOR AND TRAINING**

### **RULE 10**

#### **TRAVELING AND BUSINESS EXPENSES**

- A. When an employee, under a contract of hire, receives a commission or salary for personal services and the contract does not provide for an allowance or reimbursement for traveling or other business expenses incurred by the employee, then the total amount of commissions and salary must be reported as wages by the employer. Employer contributions must be made, and employee contributions withheld, on the total amount paid to the employee.
- B. When an employee, under a contract of hire, receives from his/her employer allowances or reimbursement for traveling or other business expenses incurred by said employee in furthering the business of his/her employer, which are in excess of the actual expenses incurred and accounted for by receipt or voucher submitted by the employee to his employer, such excess amounts are to be considered as wages paid by the employer to the employee for services rendered, and such amounts must be included in all reports of wages paid for the required reporting periods. Employer contributions must be made, and employee contributions withheld, on the basis thereof for those periods during which they were received.
- C. All payments made by an employer to an employee, as an allowance or reimbursement for traveling or other business expenses, must be recorded in the books of the employer in a separate expense account maintained for each employee receiving the same.

[Reference to Employment Security Act: Section 28-42-3 (17)]