



# STORES: ASSOCIATE GIFT REPORTING PROCEDURE

## OVERVIEW

The Internal Revenue Service requires that all gifts/awards of monetary value awarded to Associates be included as compensation to the Associate and reported in that Associate's gross earnings.

When an Associate receives a gift award from the company, the company will pay any additional tax for the Associate (in the form of a "gross up" to their earnings), resulting from the awarded gift.

## DETAILS

### Monetary Value

Gifts and awards of monetary value include but are not limited to SVC's, movie tickets, restaurant gift cards, other gift cards, etc. The IRS does not require TJX to report the value of small physical gifts such as flowers, holiday turkey, etc. Check with your HRBP for further clarification.

### Items that must be reported include (but are not limited to):

- / Service Awards
- / Associate of the Month awards
- / Raffle prizes
- / Performance or production prizes
- / Safety program incentives

### Categories of gift types

- / Gift Cards/Gift Certificates of any type, including (but not limited to):
  - o Restaurant, Supermarket, Store gift cards, including TJX-branded gift cards
  - o Cafeteria gift cards
  - o Turkey certificates
  - o Tickets to events (concert, theater, sporting, etc.)
- / For non-monetary items only report the value
  - o Electronics
  - o Gift Baskets
  - o Perishable Items
  - o Clothing/sports gear

### Monthly Reporting to Payroll

Each month, the Department or functional area that issues the gift award must report certain gift award information in an Excel spreadsheet called Sierra Gift Award Worksheet, available on the Summit under Retail Surveys. The spreadsheet must include the following information:

- / Associate's 9-digit AIN
- / Net dollar value of the gift

## IMPORTANT SPREADSHEET REMINDERS

- / Data is entered on a single spreadsheet, using a single tab
- / Do not split the spreadsheet by month or type of gift awarded
- / Do not add to past worksheets, to avoid duplicating an Associate's earnings
- / Use only numbers. Do not use/add symbols, dollar signs, spaces or punctuation
- / **Column A: AIN (starts with 99xxxxxx – nine digits only)**
  - o Do NOT use the Assignment number that may contain dash values 991234567-2
- / **Column B: Amount = Net Dollar Value**

