

According to IRS Revenue Ruling 59-58, gift cards, when given to an employee by his/her employer are taxable to the employee. Retirement gifts of tangible personal property (such as retirement rocking chairs are not taxable to the employee as long as the value does not exceed \$400 (the employee will be taxed on the amount of the gift exceeding \$400, per IRC Section 274(j)). In addition, to avoid taxation on items of tangible personal property, the IRS insists that the gift must be presented as part of a "meaningful presentation" (i.e. in front of other employees where the person retiring is recognized for their service to the University). All retirement gifts (taxable or non-taxable) and the associated retirement party are subject to the following dollar limitations based on years of service:

<b>Years of Service</b>	<b>Party &amp; Gift Not to Exceed</b>
10 but less than 20	\$450
20 but less than 25 \$500	\$500
25 but less than 30	\$550
30 and above	\$600

Departments may provide a retirement recognition party, tangible personal property (rocking chair), or a gift card, not to exceed the limits noted above. All gift cards will be virtual, as physical cards will not be provided. To request a card for a retiring employee, please provide the following information to the Office of the Senior Vice President for Finance & Administration ([murrays@uab.edu](mailto:murrays@uab.edu)). Once approved, the card will be directed to the employee.

- Employee Name:
- Employee ID:
- Date of Service:
- Date of Retirement:
- TRS Years of Service:
- Non UAB Email: