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Title 22@ Social Security

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Division 1@ Employment Development Department

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Subdivision 1@ Director of Employment Development

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Division 1@ Unemployment and Disability Compensation

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Part 1@ Unemployment Compensation

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Chapter 4@ CONTRIBUTIONS AND REPORTS

926-5 Taxable Value of Meals and Quarters Received by

Article 2@ "WAGES" THE BASIS OF THE CONTRIBUTION

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Section 926-5@ Taxable Value of Meals and Quarters Received by Fishermen Aboard Fishing Vessels

(a)

Meals and quarters received by fishermen aboard fishing vessels shall be taxable on the basis of a reasonably estimated cash value to the employee as determined or approved by the department as hereinafter provided: (1) Meals. The value of meals may be computed on one of the following bases, at the option of the employer: (A) The cost of food furnished to or consumed by fishermen shall be equally divided by the number of fishermen to determine the taxable value of meals to each fisherman. (B) If an employer maintains records in such form as to show the number and kind of meals actually consumed by fishermen the scale as set forth in Section 926-3(a)(2) of these regulations may be applied. (2) Quarters.

(A) For the calendar year 2011 and thereafter except as modified in accordance with this subdivision, quarters furnished fishermen aboard fishing vessels have a cash value to the employee of \$38.70 a week, or \$5.50 a day for periods less than a week, where the facilities include the following minimum standards: 1. Living compartment space that normally permits standing erect. 2. Heat, light and ventilation. 3. Gear locker. 4. Head and bathing facilities. 5. Individual bunks or berths with mattresses, assigned to each fisherman. (B) Quarters which do not meet the above minimum standards have no cash value to the fishermen. (3)

Adjustment of Quarters Values. Whenever the average of residential rent prices in

the Los Angeles, San Diego, and San Francisco Metropolitan Areas during the twelve months of any fiscal year ending on June 30 varies from the average of prices during the same months ending on June 30, 1973, by 10 percent or more, according to the residential rent indexes published by the United States Department of Labor, Bureau of Labor Statistics, the director shall by authorized regulation modify the 2011 scale of rates for quarters upward or downward in substantially the same ratio for the ensuing calendar year.

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(B)

If an employer maintains records in such form as to show the number and kind of meals actually consumed by fishermen the scale as set forth in Section 926-3(a)(2) of these regulations may be applied.

(2)

Quarters. (A) For the calendar year 2011 and thereafter except as modified in accordance with this subdivision, quarters furnished fishermen aboard fishing vessels have a cash value to the employee of \$38.70 a week, or \$5.50 a day for periods less than a week, where the facilities include the following minimum standards:1. Living

compartment space that normally permits standing erect. 2. Heat, light and ventilation. 3. Gear locker. 4. Head and bathing facilities. 5. Individual bunks or berths with mattresses, assigned to each fisherman. (B) Quarters which do not meet the above minimum standards have no cash value to the fishermen.

(A)

For the calendar year 2011 and thereafter except as modified in accordance with this subdivision, quarters furnished fishermen aboard fishing vessels have a cash value to the employee of \$38.70 a week, or \$5.50 a day for periods less than a week, where the facilities include the following minimum standards: 1. Living compartment space that normally permits standing erect. 2. Heat, light and ventilation. 3. Gear locker. 4. Head and bathing facilities. 5. Individual bunks or berths with mattresses, assigned to each fisherman.

1.

Living compartment space that normally permits standing erect.

2.

Heat, light and ventilation.

3.

Gear locker.

4.

Head and bathing facilities.

5.

Individual bunks or berths with mattresses, assigned to each fisherman.

(B)

Quarters which do not meet the above minimum standards have no cash value to the fishermen.

(3)

Adjustment of Quarters Values. Whenever the average of residential rent prices in the

Los Angeles, San Diego, and San Francisco Metropolitan Areas during the twelve months of any fiscal year ending on June 30 varies from the average of prices during the same months ending on June 30, 1973, by 10 percent or more, according to the residential rent indexes published by the United States Department of Labor, Bureau of Labor Statistics, the director shall by authorized regulation modify the 2011 scale of rates for quarters upward or downward in substantially the same ratio for the ensuing calendar year.

(b)

It is immaterial for the purposes of this section that the cost of food consumed aboard fishing vessels is borne by the employer, by the employees or is shared by the employer and employees. The following examples illustrate the computation of taxable wages under two methods of accounting where the employer elects to apply the formula set forth in subdivision (a)(1)(A) of this section. It is assumed that the share for the owner or operator of the vessel is 40 percent and the fishermen's share is 60 percent. EXAMPLE A. All operating expenses, including the cost of food consumed aboard, are deducted from the gross receipts from sale of the catch. The remainder is divided into two shares, one for the owner or operator of the vessel and the other to be distributed among the fishermen. The fishermen's cash wages plus the total cost of food constitute taxable wages.

Gross proceeds from sale of the catch.....	\$1,000	Less fuel and other
operating expenses.....	\$200	Less cost of
food.....	100	300
	700	Less: Owner or operator's share (40
		percent).....
	280	Fishermen's share (60 percent) (cash
wages).....	420	Add cost of food consumed.....
		100
Total.....	\$520	Taxable wages (i) Taxable wages each person,

assuming 5 men with equal shares--\$104. (ii) Taxable wages each person,

assuming 5 men, 1 man having 2 shares, and 4 men having 1 share each:

Cash Add cost of food Total taxable wages Fisherman "A"\$140 \$20\$160

Fisherman "B" 70 20 90 Fisherman "C" 70 20 90 Fisherman "D" 70 20 90

Fisherman "E" 70 20 90 \$420\$100\$520 EXAMPLE B. All operating expenses,

except cost of food consumed aboard, are deducted from the gross receipts from sale of the catch. The remainder is divided into two shares, one for the owner or operator of the vessel and the other to be distributed among the fishermen. The amount of the fishermen's share before deduction of the cost of food constitutes taxable wages. Gross proceeds from sale of the catch.....\$1,000

Less fuel and other operating expenses.....200 800 Owner or operator's share (40 percent).....320 Fishermen's share (60

percent).....480Taxable wages Less cost of food.....100

Cash wages.....\$380 (i) Taxable wages each person, assuming 5

men with equal shares--\$96. (ii) Taxable wages each person, assuming 5 men, 1 man having 2 shares, and 4 men having 1 share each: Total Taxable wages

Less cost of food Cash Fisherman "A"\$160 \$20\$140 Fisherman

"B" 80 20 60 Fisherman "C" 80 20 60

Fisherman "D" 80 20 60 Fisherman "E" 80 20

60 \$480\$100\$380

(i)

Taxable wages each person, assuming 5 men with equal shares--\$104.

(ii)

Taxable wages each person, assuming 5 men, 1 man having 2 shares, and 4 men

having 1 share each: Cash Add cost of food Total taxable wages Fisherman "A"\$140

\$20\$160 Fisherman "B" 70 20 90 Fisherman "C" 70 20 90 Fisherman "D" 70 20 90

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cost of food consumed aboard, are deducted from the gross receipts from sale of the catch. The remainder is divided into two shares, one for the owner or operator of the vessel and the other to be distributed among the fishermen. The amount of the fishermen's share before deduction of the cost of food constitutes taxable wages.

Gross proceeds from sale of the catch.....	\$1,000	Less fuel and other operating expenses.....	200	800	Owner or operator's share (40 percent).....	320	Fishermen's share (60 percent).....	480	Taxable wages Less cost of food.....	100	Cash wages.....	\$380										
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Total Taxable wages Less cost of food Cash																						
Fisherman "A"	\$160	\$20	\$140	Fisherman "B"	80	20	60	Fisherman "C"	80	20	60	Fisherman "D"	80	20	60	Fisherman "E"	80	20	60	\$480	\$100	\$380

(i)

Taxable wages each person, assuming 5 men with equal shares--\$96.

(ii)

Taxable wages each person, assuming 5 men, 1 man having 2 shares, and 4 men having 1 share each: Total Taxable wages Less cost of food Cash Fisherman "A"

.....	\$160	\$20	\$140	Fisherman "B"	80	20	60	Fisherman "C"	80	20	60	Fisherman "D"	80	20	60	Fisherman "E"	80	20	60	\$480	\$100	\$380
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(c)

"Fishermen" as used in this section includes all persons aboard the vessel who are entitled to receive a share-of-the-catch or who are remunerated on any other basis.

(d)

It is immaterial for the purposes of this section that the facilities furnished by the employer are furnished for his or her convenience or the convenience of the employee.

(e)

No right or cause of action founded upon provisions for the reasonably estimated cash value to fishermen of meals and quarters in effect prior to the amendment of this section shall be abolished or impaired by such amendment.