

## CAPABILITIES

Employee Benefits & Executive Compensation

# PTO CASH-OUTS AND CONSTRUCTIVE RECEIPT

Advisory

4.18.24

For many years, employers have implemented paid time off cash-out arrangements ("PTO cash-out"). If not constructed properly, PTO cash-out arrangements can raise constructive receipt issues resulting in unexpected taxation. In this newsletter, we will briefly cover PTO cash-out arrangements, the IRS' position regarding constructive receipt and the potential tax consequences.

[Read the full advisory for details.](#)