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One of the biggest and best fringe benefits often isn't technically thought of as a "fringe benefit." It's the matching contributions made to a 401(k) plan account by an employer on behalf of participating employees. With this add-on, an employee's account can grow in leaps and bounds without a great deal of fanfare.

Matching contributions aren't mandatory, but employers often provide them as a

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These pre-tax contributions are invested within the account. Usually, the employer will provide a range of mutual funds to choose from. Any earnings – and earnings upon earnings – aren't subject to tax until you make withdrawals. The distributions are generally taxed at ordinary income rates.

In addition, an employer may offer the fringe benefit of matching contributions up to a stated percentage of salary. Typically, a company will provide a match of 50 percent for the first 6 percent of salary deferred by an employee. Thus, the company match doesn't exceed 3 percent of salary.

For example, suppose an employee earns \$50,000 a year and elects to defer 6 percent of her salary to the company 401(k) plan. The company follows the standard match program of 50 percent for the first 6 percent of salary. As a result, the employee contributes \$3,000 to the account and the employer contributes another \$1,500 for a total contribution on her behalf of \$4,500 for the year. This amount is invested and compounds on a tax-deferred basis.

In rare cases, an employer may match contributions dollar-for-dollar. This makes the fringe benefit even more valuable.

Be aware that there is a lot of red tape. For instance, the tax code and accompanying regulations includes numerous other requirements and limitations concerning 401(k) plans. Notably, the plan must pass two nondiscrimination tests to ensure that the company isn't favoring its highest-paid employees. To encourage grater participation among lower-paid employees, the employer may make enrollment "automatic," meaning that an employee has to proactively opt of the plan if he or she desires.

Don't overlook the benefits of a 40(k) matching program. This can sweeten the pot so more high-quality workers join the company or your best employees decide to stay

on board.

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