

STATE OF COLORADO

**GENERAL SUPPORT SERVICES
DIVISION OF FINANCE AND PROCUREMENT
OFFICE OF THE STATE CONTROLLER**

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TO: Controllers and Payroll Officers of State Departments and
 Higher Education Institutions and Boards Utilizing the
 State's Central Payroll System

FROM: Arthur L. Barnhart *ALB*
 State Controller

DATE: December 30, 1999

SUBJECT: Commuter Choice Program

Attached for your information is a new program for state employees called the Commuter Choice Program. It is based on the Federal Transportation Equity Act for the 21st Century and allows participating state employees to have the cost of their rapid transit passes and qualifying monthly parking fees deducted from their gross income and thereby reduce their Federal, State, and Medicare tax liabilities.

The effective date of the new Commuter Choice Program is January 1, 2000, and the program is strictly voluntary. To take advantage of the program for the month of January, the agency's payroll unit must receive the completed form by the closing date for payroll processing. Each agency has established its own schedule to coincide with the payroll deadline schedules issued by the Central Payroll Unit for both the bi-weekly and monthly payrolls.

Employees participating in this program must be cautioned that it may adversely affect their retirement pay because their total salary reported to the Public Employees Retirement Association will be reduced by the dollar amount of the rapid transit pass or qualifying monthly parking fee. This reduction in gross salary may reduce their highest average salary calculation and thereby reduce their retirement pay, should they retire within three years of the effective date.

Since a requirement of the program is that participating employees purchase their rapid transit pass or pay their qualified parking fee through a payroll deduction, not all employees will immediately be able to take advantage of this program. Discussions are currently being held to identify ways to expand the program where more state employees can participate.

Please review the attached Commuter Choice Program information sheet and the attached Payroll Deduction Forms. Should you have questions concerning the program, please contact Anne Huth at 303-866-3810. Thank you.

Attachments

cc: Anne Huth, SCO

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