

COMMUTER CHOICE PROGRAM

BACKGROUND

On June 9, 1998, President Clinton signed into law the Transportation Equity Act for the 21st Century (TEA-21). This Act permits employers to allow employees to set aside pre-tax income for rapid transit passes or qualified parking in order to cover the expense of getting to and from work, and parking when they arrive. New rates are published each year in IRS Publication 15-B, Employer's Tax Guide to Fringe Benefits, under the Transportation (Commuting) Benefits section. In order for an employee to take advantage of the Commuter Choice Program, payment for a rapid transit pass or qualifying monthly parking must be in the form of a payroll deduction. Without a payroll deduction, there is no way to reduce an employee's gross income. This pre-tax benefit will reduce employee's Federal, State, and Medicare taxes and it will also reduce the gross salary reported to **PERA** by the same dollar amount.

State Owned/Operated Capitol Complex Parking Lots

For state employees leasing a parking space in one of the State owned/operated parking lots within the Capitol Complex and paying for the space through a payroll deduction, the following table contains the After Tax and the Pre-Tax GTN's to be used. Note the GTN's apply to the rate currently being withheld from an employee's gross pay for parking through a payroll deduction.

<u>After Tax GTN</u>	<u>Pre-Tax GTN</u>	<u>Monthly Parking Lease Withholding</u>
071	112	Parameter 230.00 = \$110.00
072	113	Parameter 231.00 = \$100.00
073	114	Parameter 232.00 = \$ 82.50
074	115	Parameter 233.00 = \$ 75.00
075	116	Parameter 234.00 = \$ 55.00
076	117	Parameter 235.00 = \$ 50.00
078	079	Parameter 239.00 = \$ 50.00

Other Parking Lots

After Tax GTN	Pre-Tax GTN	
070	077	"DU" entered for correct Dollar amount <i>Pre tax maximum is \$175.00/month</i>

Rapid Transit Pass Bus passes or Van Pools

After Tax GTN	Pre-Tax GTN	
110	111	"DU" entered for correct Dollar amount <i>Pre tax maximum is \$100.00</i>