

PRE-TAX PARKING FREQUENTLY ASKED QUESTIONS AND ANSWERS

Q: Which employees are eligible for pre-tax parking?

A: Employees who park at eligible parking locations and who also meet any of the additional qualifying criteria as presented here.

Q: What are eligible parking locations?

A: A metro-parking lot, commercial lot, privately owned parking lot, parking garage, parking meter, or employer provided parking.

Q: What are the additional qualifying criteria?

A: An employee must either take mass transportation, or ride in a vanpool, or in a carpool of two or more persons from the parking location to work.

Q: Can an employee driving a vanpool or carpool and parking in an eligible location be authorized pre-tax parking?

A: Yes. Example: The primary driver of a vanpool or carpool that parks in a commercial lot (or other eligible parking location), and whose members then walk to work is eligible for pre-tax parking.

Q: Can a single occupant of a vehicle who drives to work, parks at an eligible parking location, and does NOT take mass transportation, and does NOT ride in a vanpool or carpool from that location be authorized pre-tax parking?

A: No. The intent of the program is to encourage employees to use mass transportation, a vanpool, or carpool and to discourage the use of single occupancy vehicles to travel to work.

Q: How do employees apply for pre-tax parking?

A: Eligible employees should submit an application to their designated transit subsidy coordinator. The transit subsidy coordinator will submit the approved application to the servicing personnel office for inputting into the National Finance Center personnel/payroll system.

Q: Is a written policy required to implement pre-tax parking?

A: No.

Q: Is proof of the cost of parking required?

A: Yes. It may be in the form of a parking lot receipt or, if no receipt is provided, the application itself will suffice.

Q: Is the National Finance Center able to process pre-tax parking applications?

A: Yes. NFC instructions were previously provided to operating personnel offices on August 31, 1999, and remain in effective. The entry is done through the Allowance Screen of PRES (Payroll/Personnel Remote Entry System).

Q: What document is used to report the amount of an employee's pre-tax parking to the Internal Revenue Service?

A: The W-2 Form.

Q: How is the pre-tax parking benefit computed in the personnel/payroll system?

A: The answer is based on an example of a GS-15, Step 5 in the 30% Tax Bracket and claiming \$180.00 a month for pre-tax parking.

You would take $\$180 \times 12$ (months) divided by 26 pay periods. This would equate to \$83.07. The GS-15, Step 5 gross salary is \$3,881.60 (depending on locality). Subtract the \$83.07 from the \$3,881.60 (\$3,798.53). Taxes are then calculated on the \$3,798.53, if this was the only allowance the employee had.