

Pretax Transportation Program

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Want to save money on your commute? UC offers an easy way. If you're eligible, you can lower your tax bill by paying for parking, transit passes and/or vanpooling with pretax payroll deductions.

This fact sheet covers the Pretax Transportation Program's deduction limits and tax rules, which are the same throughout the UC system. While it also gives a general overview of how the program works, there are differing eligibility requirements and procedures at individual UC locations. If the information outlined here differs from the way your location handles things, the location-specific guidelines take precedence.

How It Works

After you sign up for the program, your payroll department deducts the amount you specify from your pay before taxes are withheld. This can save you money on taxes by reducing your taxable income. How much you save will depend on the amount of the deductions and your tax bracket.

Eligibility to participate varies according to UC location. Check with your payroll or benefits representative to find out if you're eligible. If you meet the eligibility requirements in effect at your UC location, you are eligible for the pretax option.

All UC locations offer the program to pay for parking expenses, but only certain locations offer the deductions for transit passes and vanpooling. Your payroll or benefits representative can give you the details about your workplace.

For parking, you may deduct up to a maximum of \$255 per month.

Or, if you use transit or a vanpool to get to work, you may deduct a total of \$255 per month.

If you sometimes take transit and sometimes use a vanpool, you may allocate your \$255 deduction between the two types of transit.

Transit expenses include passes for mass transit options such as buses, railways and ferries. Vanpooling is defined as commuting in a highway vehicle that seats at least seven adults, including the driver.

The amount you deduct must reflect your actual expenses (up to the limits noted above). You can only get a tax break if you pay for your transportation expenses with a payroll deduction; payments by cash, check or credit card don't qualify.

If the amount you deduct for a particular month is less than the deduction maximum, you aren't allowed to deduct more than the maximum during a future month. For example, if you deduct only \$200 of parking expenses during June, you can't apply the \$55 deduction you didn't use during June by deducting \$310 (\$255 + \$55) for July.

DEDUCTIONS AND YOUR TAXES

The deductions apply to your federal and state income taxes as well as to your FICA taxes. (FICA taxes are 6.2% of your taxable earnings for Social Security up to the Social Security wage base of \$118,500 and 1.45% for Medicare wages up to \$200,000, then 2.35% above \$200,000.)

DEDUCTIONS AND YOUR RETIREMENT BENEFITS

The pretax deductions won't affect the salary used to calculate your benefits under the UC Retirement Plan (UCRP). They may, however, lower the salary used to calculate your Social Security benefits. If your taxable earnings are below the Social Security wage base (\$118,500 for 2016), then your future benefits could be reduced. To find out more about how these benefits are calculated, contact Social Security at 800-772-1213 or ssa.gov.

HOW TO SIGN UP

If you're eligible, your payroll or benefits representative will tell you what you need to do.

MAKING CHANGES

If you decide you want to cancel your participation in the program, you can do so by filling out the *Pretax Transportation Deductions, Cancellation or Re-Enrollment* form (UPAY 884), attached to this factsheet. It's also available on UCnet or from your payroll or benefits representative. You can use the same form if you later want to re-enroll.

To change the amount of your deduction, contact your payroll or benefits representative.

UPAY 884—University of California Pretax Transportation Deductions, Cancellation or Re-Enrollment

This form is to be used only for opting out of or re-enrolling in pretax parking, vanpool, or transit pass deductions. You must be enrolled in a University parking, vanpool, or transit pass program as approved by your Parking Office. Any questions about

transportation rates, impact on benefits, or processing deadlines, should be directed to your local Parking Office, Benefits Office, or Departmental Assistant as appropriate.

PERSONAL INFORMATION

Name (Last, First, Middle Initial)	Social Security Number	Employee ID Number (4-12)
Campus	Department	
Campus Address (Room, Building)	Campus Telephone	Campus E-mail Address

I want the action requested on this form to be effective with my paycheck dated _____ subject to local accounting office deadlines.

month day year

CANCELLATION/RE-ENROLLMENT (Check appropriate box)

	Parking	Vanpool	Transit Pass
<input type="checkbox"/> Cancel my pretax participation. I wish to pay all applicable taxes on my current deduction.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> I wish to have my transportation deduction taken on a pretax basis.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signature	Date	Accounting/Parking Office Approval	Date
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FOR ACCOUNTING PURPOSES ONLY

Tran Code (1-2)	Entry Date (13-18)	Element No. (19-23)	Amount (24-30)	Tran Code (1-2)	Entry Date (13-18)	Element No. (19-23)	Amount (24-30)
X1				X1			

Send completed form to your payroll or parking office

RETN: Accounting: 5 years after separation except retain in cases involving disability, retirement or disciplinary action until age 70
Other copies: 0-5 years after separation

(R1/16)

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PRIVACY NOTIFICATIONS

STATE

The State of California Information Practices Act of 1977 (effective July 1, 1978) requires the University to provide the following information to individuals who are asked to supply information about themselves. The principal purpose for requesting information on this form, including your Social Security number, is to verify your identity, and/or for benefits administration, and/or for federal and state income tax reporting. University policy and state and federal statutes authorize the maintenance of this information. Furnishing all information requested on this form is mandatory. Failure to provide such information will delay or may even prevent completion of the action for which the form is being filled out. Information furnished on this form may be transmitted to the federal and state governments when required by law. Individuals have the right to review their own records in accordance with University personnel policy and collective bargaining agreements. Information on applicable policies and agreements can be obtained from campus or Office of the President Staff and Academic Personnel Offices. The official responsible for maintaining the information contained on this form is the Vice President—University of California Human Resources, 1111 Franklin Street, Oakland, CA 94607-5200.

FEDERAL

Pursuant to the Federal Privacy Act of 1974, you are hereby notified that disclosure of your Social Security number is mandatory. The University's record keeping system was established prior to January 1, 1975 under the authority of The Regents of the University of California under Article IX, Section 9 of the California Constitution. The principal uses of your Social Security number shall be for state tax and federal income tax (under Internal Revenue Code sections 6011.6051 and 6059) reporting, and/or for benefits administration, and/or to verify your identity.

By authority of the Regents, University of California Human Resources, located in Oakland, administers all benefit plans in accordance with applicable plan documents and regulations, custodial agreements, University of California Group Insurance Regulations, group insurance contracts, and state and federal laws. No person is authorized to provide benefits information not contained in these source documents, and information not contained in these source documents cannot be relied upon as having been authorized by the Regents. Source documents are available for inspection upon request (800-888-8267). What is written here does not constitute a guarantee of plan coverage or benefits—particular rules and eligibility requirements must be met before benefits can be received. The University of California intends to continue the benefits described here indefinitely; however, the benefits of all employees, retirees and plan beneficiaries are subject to change or termination at the time of contract renewal or at any other time by the University or other governing authorities. The University also reserves the right to determine new premiums, employer contributions and monthly costs at any time. Health and welfare benefits are not accrued or vested benefit entitlements. UC's contribution toward the monthly cost of the coverage is determined by UC and may change or stop altogether, and may be affected by the state of California's annual budget appropriation. If you belong to an exclusively represented bargaining unit, some of your benefits may differ from the ones described here. For more information, employees should contact their Human Resources Office and retirees should call the UC Retirement Administration Service Center (800-888-8267).

In conformance with applicable law and University policy, the University is an affirmative action/equal opportunity employer. Please send inquiries regarding the University's affirmative action and equal opportunity policies for staff to Systemwide AA/EEO Policy Coordinator, University of California, Office of the President, 1111 Franklin Street, 5th Floor, CA 94607, and for faculty to the Office of Academic Personnel, University of California, Office of the President, 1111 Franklin Street, Oakland, CA 94607.

