

Salary Reduction Agreement for Pre-Tax Parking Program Code 132(f)(4) Accounts

- Yes, I wish to participate in the Pre-Tax parking program. Begin my participation effective the first available pay date following the date of this application.
- I no longer wish to participate in the Pre-Tax Parking Program. Please terminate my participation effective the first available pay date following the date of this application.

Employee signature

Employee name (Please print)

Employee department

State Employee ID#

Date
This agreement is legally binding and may not be terminated until another Salary Reduction Agreement is completed or my employment is terminated.

For use of the Business Office only:
Salary \$ _____
Parking fee \$ _____
Pay date initiated: _____

Consider the savings received from participating in the program!

CONSIDER AN EMPLOYEE WHOSE SEMI-MONTHLY SALARY IS \$1,000, CLAIMING SINGLE AND 0 EXEMPTIONS FOR FEDERAL AND STATE, ELECTING CONTRIBUTIONS OF \$10 PER PAY FOR 10 PAYS

	Regular	Pre-Tax
Gross Pay	1,000.00	1,000.00
Pre-tax parking	.00	10.00
Taxable income	1,000.00	990.00
FICA	76.50	75.74
Federal income tax	103.07	101.57
State income tax	39.58	39.01
Parking	10.00	.00
Net Pay	770.85	773.68
Difference per pay		2.83
Total savings from the program		28.30

CONSIDER AN EMPLOYEE WHOSE SEMI-MONTHLY SALARY IS \$3,125, CLAIMING SINGLE AND 0 EXEMPTIONS FOR FEDERAL AND STATE, ELECTING CONTRIBUTIONS OF \$50 PER PAY FOR 4 PAYS

	Regular	Pre-Tax
Gross Pay	3,125.00	3,125.00
Pre-tax parking	.00	50.00
Taxable income	3,125.00	3,075.00
FICA	239.06	235.24
Federal income tax	590.20	576.70
State income tax	161.77	158.90
Parking	50.00	.00
Net Pay	2,083.97	2,104.16
Difference per pay		20.19
Total savings from the program		80.76



PRE-TAX PARKING PAYROLL DEDUCTION PROGRAM

THE BUSINESS OFFICE AND PARKING SERVICES ARE WORKING TOGETHER TO PROVIDE THIS BENEFIT TO EMPLOYEES. THE BUSINESS OFFICE IS RESPONSIBLE FOR THE ADMINISTRATION OF THE PRE-TAX PARKING PAYROLL DEDUCTION PROGRAM. PARKING SERVICES IS RESPONSIBLE FOR PARKING OPERATIONS AND MANAGEMENT.

WHAT IS THE PRE-TAX PARKING PROGRAM?

In accordance with Internal Revenue Code Section 132(f)(4), Christopher Newport University has established a pre-tax parking program. Participants make contributions each pay date for parking fees *before* taxes are calculated. Gross pay will not change; however, the employee's annual W-2 will reflect a reduction in federal, state, OASDI and HI taxable earnings.

WHO IS ELIGIBLE TO PARTICPATE?

All full-time or non-student hourly employees established through the Office of Human Resources Christopher Newport University and paid on a regular semi-monthly or bi-weekly pay date.

WHEN WILL THE PAYROLL DEDUCTIONS BEGIN?

New employees who elect to participate in the program will begin their deduction the

1st or 16th of the month following the next payday after form submission to the Parking Services Office.

Employees who terminate participation in the program may not re-enroll until the following fall semester. Retroactive participation, prorating and adjustments will not be permitted.

HOW ARE DEDUCTIONS MADE?

Participants make contributions to the program through payroll deduction. Your deduction depends on your salary at the time of purchase of the parking decal.

If your salary is between \$5,001 and \$15,000, then your deduction will be \$10 per pay for 5 pays, or \$50.

If your salary is between \$15,001 and \$25,000, then your deduction will be \$10 per pay for 10 pays, or \$100.

If your salary is between \$25,001 and \$50,000 then your deduction will be \$37.50 per pay for 4 pays, or \$150.

If your salary is between \$50,001 and \$80,000, then your deduction will be \$50 per pay for 4 pays, or \$200.

If your salary is over \$80,000, then your deduction will be \$87.50 for 4 pays, or \$350.

If you are hired or purchase your decal after January 1, your decal will be one-half of the regular cost.

WHAT HAPPENS TO MY DEDUCTIONS IF I TERMINATE EMPLOYMENT?

Participation ends upon termination of employment. **No refunds are allowed.**

WHAT HAPPENS IF I WISH TO STOP MY DEDUCTIONS?

Participants may discontinue participation in the program at any time by submitting a parking enrollment form to the Business Office. Parking enrollment forms are due in Business Office prior to the beginning of the pay period in which the salary reduction is to end.