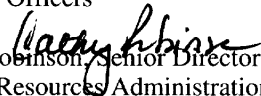


THE CALIFORNIA STATE UNIVERSITY
Office of the Chancellor
401 Golden Shore
Long Beach, California 90802-4210
(562) 951-4411

Date: October 23, 2001 Code: TECHNICAL LETTER
HR/Benefits 2001-20
Supplement 1

To: Human Resources Directors
Benefits Officers

From: Cathy Robinson, Senior Director

Human Resources Administration

Subject: New CSU Pre-Tax Parking Deduction Plan

Technical Letter 2001-20 announced the new Pre-Tax Parking Deduction Plan effective January 1, 2002, for eligible employee groups. Eligible employee groups include Excluded (E99), Confidential (C99), MPP (M80), Physicians (Unit 1), Academic Support (Unit 4), Skilled Crafts (Unit 6), Public Safety (Unit 8), and Operating Engineers (Unit 10). We anticipate the Trustees will approve the Plan for Executives (M98) at the November board meeting. Please note that employees represented by CSEA (Units 2, 5, 7, and 9) and California Faculty Association (Unit 3) are currently not eligible for the plan. However, they have been offered the opportunity to participate at a future date, subject to the collective bargaining process.

An updated employee notification letter is attached. Compendium Report Code A73 lists employees with parking deductions by CBID. Employees in Units 2, 3, 5, 7, and 9 should not receive the notification letter at this time. We will advise you by electronic message of the status of the Plan for Executives at the conclusion of the November board meeting.

If you have questions, please contact Pamela Chapin in Human Resources Administration at (562) 951-4414. This technical letter is also available on the Human Resources Administration's web site at: <http://www.calstate.edu/HRAdm/memos.shtml>.

CR/pc

Attachment

Distribution:

CSU Presidents
Vice Chancellor, Human Resources
Vice Presidents, Administration
Associate Vice Presidents, Deans of Faculty
Director, SOSS
Payroll Managers
Budget Officers

SAMPLE EMPLOYEE COMMUNICATION

November 2001

RE: CSU PRE-TAX PARKING DEDUCTION PLAN IMPLEMENTATION

Dear _____:

This letter highlights details of a new pre-tax benefit plan that California State University (CSU) is pleased to provide eligible employees who currently pay for parking through payroll deduction with after-tax earnings. Effective January 1, 2002, if you are in an eligible position and currently pay for parking expenses through payroll deduction, you will automatically be enrolled as a participant in the CSU Pre-Tax Parking Deduction Plan. As a participant, a specified amount you pay for parking expenses through payroll deduction will be tax exempt, which means parking deductions will be taken from your pay before federal, state, Social Security, and Medicare taxes are calculated. Your taxable income will be reduced, and consequently, your taxable income reflected on your annual W-2 statement will be reduced.

Eligibility

Employees in designated non-represented and represented employee groups are eligible to participate in the pre-tax plan. In order to participate, you must be able to pay for CSU parking expenses through payroll deduction.

If you are not currently parking in a CSU parking facility established by this campus and are interested in doing so, please contact _____.

Enrollment

If you are currently paying for parking expenses through payroll deduction, enrollment in this plan is automatic unless you choose to continue paying for parking expenses with after-tax dollars. If you wish to continue your parking deductions with after-tax dollars, please complete the attached CSU Pre-Tax Parking Deduction Election Authorization form. You may change your election to participate at any time.

Eligible Expenses

Since you are currently paying for CSU parking through payroll deduction, your parking expenses will automatically qualify as an eligible pre-tax parking expense. The IRS monthly deduction limit for calendar year 2002 is \$180. If your monthly parking deduction is more than the IRS limit, the difference will be paid in after-tax dollars.

For additional Plan details, please refer to the CSU Pre-Tax Parking Deduction Plan brochure available in the Human Resources office or contact _____ at _____.

Kindest Regards,

Attachment