

Date: December 19, 2014

Code: TECHNICAL LETTER
HR/Benefits 2014-14

To: Human Resources Officers
Benefit Officers

From: Evelyn Nazario 
Associate Vice Chancellor
Human Resources Management & CO HR Services

Ann Latham 
Sr. Director, Benefits & Compensation
Human Resources Management

Subject: Transportation Incentives – 2015 Exclusion Rates for Qualified Transportation Programs

Dear Colleagues:

The attached technical letter ([HR/Benefits 2014-14](#)) provides campuses with the 2015 maximum exclusion rates for Qualified Transportation Fringe Benefits.

Please note the following:

- 1) The 2015 exclusion rate for transportation in a commuter highway vehicle or by transit pass remains at \$130 per month; and
- 2) The 2015 exclusion rate for parking remains at \$250 per month.

The technical letter should be reviewed in its entirety by Benefits Officers and any campus designees responsible for administration of campus transportation and/or incentive programs.

If you have any questions, please contact Human Resources Management at 562-951-4411.

Thank you.


Evelyn and Ann

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Subject: Transportation Incentives – 2015 Exclusion Rates for Qualified Transportation Programs

Summary

This technical letter provides campuses with 2015 maximum exclusion rates for Qualified Transportation Fringe Benefits (QTFB), that impact various transportation incentive programs that are offered on the campus. Please note the following:

- 1) The 2015 exclusion rate for transportation in a commuter highway vehicle or by transit pass remains at \$130 per month; and
- 2) The 2015 exclusion rate for parking remains at \$250 per month.

This technical letter should be reviewed in its entirety by Benefits Officers and any campus designees responsible for administration of campus transportation and/or incentive programs.

Background

The 2015 exclusion rates for qualified transportation fringe benefits are being provided for campuses with transportation incentive programs developed to comply with regional air quality programs. The rate for transportation in a commuter highway vehicle or use of a transit pass corresponds to Van Pools and Pre-Tax Transit Pass Reimbursement(s) that may be available on campuses (availability may vary). The qualified parking rate corresponds to the CSU Pre-Tax Parking Deduction Program.

Qualified Transportation Fringe Benefit (QTFB)

2015 Rate

Transportation in a commuter highway vehicle/transit pass

\$130/month

For 2015, the maximum monthly amount that may be excluded from an employee's gross income remains at \$130 per month for the aggregate benefits of transportation in a commuter highway vehicle or by transit pass.

Qualified parking (Employer-provided parking)

\$250/month

For 2015, the maximum monthly amount that may be excluded from an employee's gross income remains at \$250 for qualified parking.

Please note: The monthly exclusion rate for all QTFBs cannot exceed the combined rate of \$380/month (\$130 + \$250) for 2015.

Qualified transportation fringe benefits under Internal Revenue Code (IRC) Section 132(f) are excluded from gross income. Amounts exceeding these exclusion rates are taxable, reportable income. ***To ensure that benefits are excluded from gross income, campus transportation incentive programs must comply with federal regulations. Please refer to the State Controller's Office (SCO) Payroll Procedures Manual (PPM) for guidance, as appropriate.***

Distribution:

Cal Maritime, President	Vice Chancellor, Human Resources	Student Academic Affairs
CSU East Bay, President	Vice Presidents, Administration	Budget Officers
Executive Vice Chancellor and CFO	Deans, Faculty Affairs	State Controller's Office

As a reminder, a qualified transportation fringe benefit means any of the following:

- a. Transportation in a “commuter highway vehicle” if such transportation is in connection with travel between the employee’s residence and place of employment.

A commuter highway vehicle is any highway vehicle that seats at least 6 adults (not including the driver). There must be a reasonable expectation that at least 80 percent of the mileage vehicle use is for transporting employees between their residences and places of employment, using at least one-half of the adult seating capacity of the vehicle, not including the driver.

Please note that personal use of a commuter highway vehicle is reportable as taxable income.

- b. Any transit pass

A transit pass includes any pass, token, farecard, voucher or similar item entitling a person to transportation, or transportation at a reduced price, on mass transit or in certain vehicles for hire.

- c. Qualified parking

Qualified parking is parking provided to an employee on or near the business premises of the employer or on or near a location from which the employee commutes to work by mass transit, in a commuter highway vehicle or by carpool. Please note: the CSU Pre-Tax Parking Deduction Plan allows eligible employees to pay for qualified parking expenses via salary reduction with pre-tax dollars.

CSU transportation program incentives such as prizes, gift certificates, gifts or merchandise earned through point accumulation programs, and script which may be used to purchase merchandise at discounted prices, are taxable fringe benefits.

Common Management Systems (CMS) Processing Instructions

This technical letter has no impact to CMS Baseline.

General Information

Questions regarding this technical letter may be directed to Human Resources Management at (562) 951-4411. This document is also available on the Human Resources Management Web site at:

<http://www.calstate.edu/HRAdm/memos.shtml>.

EN/AL/rk