



Qualified Transportation Plan Frequently Asked Questions (FAQs)

Regarding: [Qualified Transportation Plan](#)

Overview

Federal tax law allows employers to establish a pre-tax parking deduction benefit for eligible employees who pay parking fees by payroll deduction. Effective February 1, 2024, the University is establishing a Pre-tax Parking Plan (the Plan) for all eligible University employees. Under this program, deductions are made from your pay before Federal, Social Security, and Medicare taxes are calculated. Your income subject to tax is reduced, and consequently, your taxable income reflected on your annual W-2 statement is reduced.

1. Who is eligible to participate in the University Pre-tax Parking Deduction Plan?

Any benefited employee of the University who uses qualified parking and pays for it through payroll deduction is eligible to participate in this Plan.

2. What is qualified parking?

Qualified parking is the University owned, leased, or contracted parking facilities.

3. What is the benefit of participating in the Plan?

Deductions for parking are not subject to Federal, Social Security, or Medicare taxes. Your income subject to tax is reduced, and consequently, your taxable income reflected on your annual W-2 statement is reduced. Because your resulting taxable earnings are lower, you will pay less Federal, Social Security and Medicare taxes and your net take-home pay will be increased by the amount of your tax savings.

4. Is there a disadvantage to having my parking deduction made on a pretax basis?

The Plan will have no impact on your University retirement or on any other University paid benefit. However, depending on your salary, your Social Security benefits at retirement may be slightly affected because you will have paid Social Security taxes on a lower wage. (For more information, you may wish to consult your tax advisor or financial planner).

5. When will my tax savings begin?

The Plan is effective February 1, 2024. Unless you elect not to participate, your participation and tax savings will begin the first pay period after February 1, 2024.

6. How do I participate in the Plan?

All eligible University employees who currently have their parking fee deducted from their pay will automatically be enrolled in the Plan effective February 1, 2024. When purchasing a parking permit, select “Payroll Deduction” as your payment method and follow the remaining steps. This can be done when purchasing a permit online or in the office.

7. Will I have to make a pre-tax election every year?

No. Once you have completed your parking renewal and elected payroll deduction, you will be automatically enrolled in the Plan.

8. Is participation in the Plan Required?

No. Current eligible University employees who DO NOT want to participate in the Plan beginning February 1, 2024, must notify Transportation Services in writing no later than February 15, 2024, at 5 pm MST.

9. Can I still have my parking fee deducted from my paycheck if I do not participate in the Plan?

No. Only employees who participate in the Plan may have their parking fee payroll deducted. If you choose NOT to participate in the Plan, you are responsible for the full payment of your parking fees directly to the University.

10. Can I change my election to participate in the Plan?

Yes. You may change your election to participate in the Plan at any time. If you decide to discontinue participation, you must notify Transportation Services in writing. The change will become effective on the first pay period following your change in election subject to processing timelines established by the University Payroll Office. The remaining balance on the parking fee must be paid in full via an approved payment method to Transportation Services.

11. When will my participation in the Plan cease?

You will no longer be a participant in the Plan if you elect to terminate participation, cease to be an eligible employee, separate from University employment, or until the parking fee has been deducted in full

12. What about refunds?

Per IRS regulations, no refunds on previous pre-tax payroll deductions will be issued to participants if parking is canceled.

13. Who should I contact if I have any questions?

You should contact the Tax Office at (307) 766-2821 or tax@uwyo.edu if you have any questions about the Plan.