TO: UAF Staff and Faculty

FROM: Office of the Bursar

THROUGH: Statewide Finance Office

RE: Pre-Tax Payroll Deduction Discontinued

The Tax Cuts and Jobs Act passed by Congress in December 2017 ushered in changes to tax rates, deductions and benefits for employees and employers across the country. Earlier in calendar year 2018, most University of Alaska employees noticed more take home pay in their paychecks as a result of tax rate changes.

The new law also has specific impacts to employer-provided transportation benefits, including how employee parking deductions are treated. As a result, employees’ parking deduction will become an after-tax deduction on their paycheck rather than a pre-tax deduction. Biweekly paid employees will first see this on their August 3, 2018 paycheck.

NOTE: 2018-19 permits will be available for purchase using after-tax or post-tax payroll deductions. For any parking permit purchased using this method, prorated refunds will be available to employees who return their permit to Bursar’s office. There will be no restriction on the maximum that can be deducted from each pay period. That was a limit required by the IRS to qualify for the pre-tax deduction. Minimum deduction will continue as before with a $25 minimum per pay period for regular parking permits and $50 minimum per pay period for sustainable and gold permits.
DATE: July 16, 2018

TO: Keli McGee
Chief Human Resources Officer

FROM: Myron Dosch
Chief Finance Officer

SUBJECT: Parking Permit Tax Issue

Effective immediately, please change the parking permit deduction from pre-tax to post-tax. This change is a result of the Tax Cuts and Jobs Act of 2017.

Please see my email correspondence and materials on this matter for additional background, and let me know of any questions.

cc: President Johnsen
    Michelle Pope