

UNITED STATES DEPARTMENT OF AGRICULTURE
FOOD SAFETY AND INSPECTION SERVICE
WASHINGTON, DC

FSIS DIRECTIVE	4271.2 REVISION 1	4/2/12
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**PRE-TAX PARKING BENEFIT PROGRAM FOR NON-BARGAINING UNIT
EMPLOYEES**

I. PURPOSE

This directive establishes the pre-tax parking benefit program for non-bargaining unit FSIS employees.

II. CANCELLATION

This directive cancels FSIS Directive 4271.2, dated 9/30/11.

III. REASON FOR REISSUANCE

This directive is reissued to update the pre-tax parking monthly taxable income and establish the application process.

IV. REFERENCES

5 U.S.C. 7905, Programs to encourage commuting by means other than single-occupancy motor vehicles
26 CFR, Part 1, Income Taxes, Section 1.132-9, Qualified Transportation Fringe Benefits
Executive Order 13150, Federal Workforce Transportation

V. FORM

AD-1185, Department of Agriculture Pre-Tax Parking Application

VI. POLICY

It is FSIS policy to support programs that improve air quality, reduce traffic congestion, and encourage its employees to commute to work by methods other than single-occupancy vehicles. Employees who are contractors are not eligible to receive pre-tax parking benefits.

DISTRIBUTION:
Electronic; All Field Employees

OPI:
OCHRO – Mediation & Work/Life Services
Division

VII. DEFINITION

Primary Vanpool or Carpool Driver. An individual that drives at least 50 percent (**example:** 5 of every 10 workdays) of the time.

VIII. PROVISIONS

The pre-tax parking benefit program is an authorization to allow eligible employees to exclude certain parking expenses from taxable income. There is no cost to FSIS.

A. The pre-tax parking benefit program is available to employees who meet either of the following:

1. Park at eligible parking locations (**examples:** public transportation parking lots, commercial parking lots, privately owned parking lots, parking garages, parking meters, or employer-provided parking) and either use mass transportation, or ride in a vanpool or carpool of two or more persons from the parking location to work.

2. Serve as the primary driver in a vanpool, or serve as the primary driver in a carpool of two or more persons to commute to work.

B. Participating employees are authorized to exclude parking expenses from their taxable income up to \$240 per month (or any subsequent statutory limit), or their actual parking cost, whichever is less. (**NOTE:** Employees may be eligible for both commuter transit subsidy benefits and pre-tax parking benefits simultaneously.)

C. An employee's pre-tax parking benefit becomes effective on the pay period following the pay period in which the application is processed. An employee may access Form AD-1185 at http://www.ocio.usda.gov/forms/ocio_forms.html.

D. An employee parking on or near property used for residential purposes does not meet pre-tax parking benefit program eligibility requirements.

E. The drivers, alternate drivers, and passengers of vanpools and carpools who receive a free Federal parking benefit are not eligible for pre-tax parking benefits.

IX. RESPONSIBILITIES

A. The Coordinator:

1. Maintains official documentation for all pre-tax parking benefit program participants.

2. Submits required information to the Human Resources Office for entry into the National Finance Center personnel payroll system.

3. Provides participating employees with technical assistance and consultative services regarding pre-tax parking. This includes:

- a. Publicizing the benefit to employees.
- b. Answering questions regarding the pre-tax parking benefit program.
- c. Accepting Form AD-1185 from employees and reviewing the application to determine eligibility and accuracy of data.
- d. Approving eligible AD-1185 forms.

B. Managers and Supervisors:

- 1. Advise participating employees of their responsibilities, rights, and benefits.
- 2. Consult with the coordinator if there are questions about an employee's eligibility to receive a pre-tax parking benefit.

C. Participating Employees:

- 1. Consult with the coordinator and refer to the "Pre-Tax Parking Frequently Asked Questions and Answers" guidance (see Attachment 2), or <http://www.dm.usda.gov/shmd/transitptp.htm>.
- 2. Complete Form AD-1185 to certify eligibility for pre-tax parking benefits. (**NOTE:** Employees should only include the last 4 digits of their social security number.)
- 3. Claim the parking facility cost (maximum authorized by law or the actual cost, whichever is less) only for commuting to or from work.
- 4. Submit (and update as needed) Form AD-1185 to the coordinator immediately for either of the following reasons:
 - (a) An increase or decrease in parking rates raises or lowers the maximum allowable benefit to which the employee is entitled.
 - (b) To cancel the pre-tax parking benefit when the employee becomes ineligible for any reason.

X. **ADDITIONAL INFORMATION**

Employees should submit inquiries and Pre-Tax Parking Application forms to MWSD at pretaxparking@fsis.usda.gov. For additional information on the Pre-Tax Parking Program, employees can access <https://inside.fsis.usda.gov/fsis/emp/static/centerContent/fsisPage.jsp?keyword=PreTaxParkingProgram2661>.



Ax Assistant Administrator
Office of Management

Attachments

- 1 AD-1185, Department of Agriculture Pre-Tax Parking Application
- 2 Pre-Tax Parking Frequently Asked Questions and Answers

AD-1185, DEPARTMENT OF AGRICULTURE PRE-TAX PARKING APPLICATION

Check Action	DEPARTMENT OF AGRICULTURE	Temporary NTE Date
New: _____	PRE-TAX PARKING APPLICATION	_____
Change: _____	(Please type or print legibly in blue or black ink)	
Cancellation: _____		
USDA Agency Name and Code (e.g., Agricultural Marketing Research/02): _____		
A. Applicant Information:		
Last Name: _____ First Name: _____ MI: _____		
Home Address: _____		
City: _____ State: _____ Zip Code: _____		
If applicable: Div/Unit _____ Rm#/Sub Unit: _____		
City: _____ State: _____ Zip Code: _____		
Work Telephone Number: _____ SSN: _____		
B. Parking Facility (Please indicate the parking facility you use):		
Metro Lot _____ Private Lot _____ Public Lot _____		
Parking Meter _____ Other (explain) _____		
C. Employee Certification:		
WARNING: This certification concerns a matter with the jurisdiction of an agency of the United States and making a false, fictitious, or fraudulent certification may render the maker subject to criminal prosecution under title 18, United States Code, Section 1001 Civility Penalty Action, providing for administrative recoveries of up to \$10,000 per violation, and/or agency disciplinary actions up to and including dismissal:		
I certify that I am employed by the Department of Agriculture.		
I certify that I am eligible for a pre-tax parking benefit.		
I certify that the monthly pre-tax parking I am receiving does not exceed my monthly parking cost.		
I certify that my usual <u>monthly</u> parking costs are: \$ _____ (NTE Authorized Maximum Amount under IRS Code 26)		
Employee's Original Signature: _____ Date: _____		
D. Transit Subsidy Coordinator:		
Name: _____ Title: _____		
Signature: _____ Date: _____		
Pay Period Parking Benefit Begins: _____ Processed By: _____		
Bi-weekly Pre-Tax Benefit Amount: _____		
PRIVACY ACT STATEMENT: This information is solicited under authority of Public Law 101-509. Furnishing the information on this form is voluntary, but failure to do so may result in disapproval of your request for a public transit fare benefit. The purpose of this information is to facilitate timely processing of your request, to ensure your eligibility, and to prevent misuse of the funds involved. AD-1185 dated 06/04/04		

PRE-TAX PARKING FREQUENTLY ASKED QUESTIONS AND ANSWERS

- Q:** Which employees are eligible for pre-tax parking?
- A:** Employees who park at eligible parking locations and who also meet any of the additional qualifying criteria as presented here.
- Q:** What are eligible parking locations?
- A:** A metro-parking lot, commercial lot, privately owned parking lot, parking garage, parking meter, or employer provided parking.
- Q:** What are the additional qualifying criteria?
- A:** An employee must use mass transportation, ride in a vanpool, or ride in a carpool of two or more persons from the parking location to work.
- Q:** Can an employee driving a vanpool or carpool and parking in an eligible location be authorized pre-tax parking?
- A:** Yes. Example: The primary driver of a vanpool or carpool that parks in a commercial lot (or other eligible parking location), and whose members then walk to work is eligible for pre-tax parking.
- Q:** Can a single occupant of a vehicle who drives to work, parks at an eligible parking location, and does NOT use mass transportation, and does NOT ride in a vanpool or carpool from that location be authorized pre-tax parking?
- A:** No. The intent of the program is to encourage employees to use mass transportation, a vanpool, or carpool and to discourage the use of single occupancy vehicles to travel to work.
- Q:** How do employees apply for the pre-tax parking benefit?
- A:** Eligible employees should submit an application to their designated transit subsidy coordinator. The transit subsidy coordinator will submit the approved application to the servicing personnel office for inputting into the National Finance Center personnel/payroll system.
- Q:** How can employees find out about Internal Revenue Service (IRS) guidance on record keeping and proof needed if a person is audited?
- A:** The Agency is not able to provide legal tax advice or address IRS implications. Employee's with concerns should consult with an accountant or tax expert for guidance, or review the official IRS Web site at www.irs.gov.