

November 17, 2005

06-027

RESOLUTION GRANTING PRESIDENT AUTHORITY TO
ESTABLISH AND MAINTAIN A PRE-TAX PARKING AND
TRANSIT BENEFIT PROGRAM

PREPARED BY: Jerry Donnelly, Director, Human Resources

APPROVED BY: Randy McEwen, Vice President, Administrative Services
Dr. Preston Pulliams, District President

REPORT: Federal tax law (IRC Section 132(f)) allows an employer to establish a qualified pre-tax "benefit program" for parking and transit expenses through payroll deduction.

This resolution would grant the District President authority to develop, establish and maintain such a program for eligible PCC employees who elect to pay for their parking permits by payroll deduction. Such an election reduces the employee's gross taxable pay by the amount of the deduction and allows the employee to save FICA and federal and state income taxes on the cost per pay period. In addition to the employee savings, the College will also achieve some savings from reduced employer FICA contributions.

The cost of employee parking permits is closely associated with the cost of student parking fees, thereby allowing the College to establish the "fair market value" of employee permits. The current maximum allowable pre-tax deduction under Section 132(f) is \$190 per month.

RECOMMENDATION:

That the Board authorize the President to develop, establish and maintain a qualified parking and transit benefit program. That such program will become effective for all management and confidential employees as of January 1, 2006 and subsequently available to employees in the faculty/academic professional bargaining unit and classified bargaining unit upon effective dates negotiated with each unit.