



State of Wisconsin
Department of Employee Trust Funds
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Correspondence Memorandum

Date: January 25, 2018
To: Group Insurance Board
From: Jessica Rossner, Program Manager
Office of Strategic Health Policy
Subject: Transportation Fringe Benefit Plan Update

This memo is for informational purposes only. No Board action is required.

On December 14, 2017, the State of Wisconsin Department of Revenue (DOR) updated the qualified transportation fringe benefit amounts that may be excluded on a pre-tax basis from employee wages for 2017 and 2018.

For 2017 the amount that may be excluded from employee wages was limited to:

- \$255 per month for qualified parking (State and Federal)
- \$255 per month for qualified transit (State and Federal)

For 2018 the amount that may be excluded from employee wages is limited to:

- \$260 per month for qualified parking (State and Federal)
- \$260 per month for qualified transit (State and Federal)

Prior to the December 14, 2017, DOR update, the amount that could be excluded for 2017 for qualified transit expenses from an employee's wage on a pre-tax basis was \$130 State and \$255 Federal. The amount that could be excluded for qualified parking expenses from an employee's wage on a pre-tax basis was \$255 for State and Federal.

The change to uniform State and Federal qualified transit amounts that may be excluded on a pre-tax basis from employee wages limits is a positive development. Several of the Payroll Center's benefit systems have been unable to accommodate the previous variation between the State and Federal pre-tax limits for qualified transit expenses. The variation between the State and Federal pre-tax limits for qualified transit expenses caused administrative burden on the Payroll Centers and the Commuter Benefit Third Party Administrator, Total Administrative Services Corporation (TASC). In addition, the variation delayed the pre-tax benefit to transit account participants.

Reviewed and approved by John Voelker, Deputy Secretary

Electronically Signed 2/5/18

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Due to the administrative burden and delay in benefit to participants, the Department of Employee Trust Funds adopted the update to uniform State and Federal qualified transportation fringe benefit limits prospectively for the 2018 plan year.

Staff will be available at the Board meeting to answer any questions.