PARKING FEES
FREQUENTLY ASKED QUESTIONS

Why are we being notified now, as opposed to a year ago when the Tax Cuts and Jobs Act was passed?

Although the *Tax Cuts and Jobs Act of 2017* was passed into law last December, the IRS has not yet issued final regulations on many of the changes included in the law, and the University recently learned that final regulations will likely not be issued until early in 2019. As a result, after consultation with our tax advisers and based on their interpretation of the provisional guidance issued by the IRS, the University decided to take action now in order to make a good faith effort to be compliant with the law.

What will the impact be on my paycheck?

Beginning with the first pay date in 2019 the following will be added to your paycheck as non-cash compensation:

- **Semi-monthly:** $6.46 per paycheck
- **Bi-weekly:** $5.96 per paycheck
- **Faculty paid over 9 months:** $8.61 per paycheck
- **Adjuncts:** Taxed a one-time amount per semester
- **Part-time/temporary:** Same as full-time employees but only for pay periods worked and paid

As a result of this addition, you will see slightly higher federal, state and local taxes being withheld from your pay each pay period. The amount withheld will depend on your own personal tax situation.

For example: If you are a semi-monthly employee, your first paycheck will include $6.46 as non-cash compensation. If your tax rate equates to 20% you will have $1.29 withheld from that paycheck for taxes.

How will future changes be communicated and processed?

Future changes to the amount of non-cash compensation will be determined annually as part of our normal process for reviewing our published parking rates. Any changes in the value of free parking will be effective on Jan. 1 of each year, and changes to the amount of non-cash compensation will be effective on the first pay date after Jan. 1. The University will communicate these changes to you not less than 30 days prior to the first pay period affected by the change in rates.

How will employees who have a parking pass be identified?

The Payroll Department, in conjunction with Auxiliary Services, are working together to identify employees who have parking passes.

What if I leave Xavier?

Upon ending employment, the parking pass must be returned to the University, and the taxable benefit will stop on the last pay received. The amount charged will be prorated so that the amount included will only be for the number of days worked in the last pay period. Employees will not be charged for any future periods.