



# Flex Park Benefit Plan

For State of Hawaii Employees

Now that you have assigned parking through your department



...and will pay a monthly parking fee through payroll deduction,

...are you interested in saving some money?

If yes, read on.

## FLEX PARK – A PRE-TAX PARKING PLAN

The State provides a **tax savings benefit program**– Qualified Transportation Fringe Benefit plan or QTFB – to eligible State of Hawaii employees of the Executive Branch.

The Transportation Equity Act for the 21<sup>st</sup> Century amended the Internal Revenue Code (IRC) Section 132(f) to allow employees to pay for qualified transportation fringes **before** Federal, State and FICA taxes are computed.

Please read this flyer carefully so that you can determine the Plan's effect

on your social security, deferred compensation, and tax-sheltered annuity benefits.

### WHO IS ELIGIBLE?

If you are an employee of the Executive Branch who has a parking assignment to park on lands under the jurisdiction of the Department of Accounting & General Services/Automotive Management Division (DAGS/AMD) and pay a monthly parking fee through payroll deduction, you are eligible to participate.

(Note: Employees parking in lots managed by **non-DAGS/AMD** agencies and private companies **are not covered under this plan.**)

### HOW DOES FLEX PARK WORK?

Each pay period, your semi-monthly parking fee will be deducted before Federal, State and FICA taxes are calculated. This means you will save money on your parking expenses.

### HOW MUCH WILL I SAVE?

The savings for employees will vary depending on your tax bracket, but the following provides an

example of how this benefit works. The example is based on an employee earning an annual salary of \$24,000.00, claiming married with no exemptions. This calculation is based on the monthly parking rate of \$60.00 per month or \$720.00 per year.

	<b>Without Flex Park</b>
<b>Salary</b>	\$24,000.00
<b>Pre-Tax</b>	0
<b>Taxable Income</b>	\$24,000.00
<b>Federal Tax</b>	\$1977.60
<b>State Tax</b>	\$1353.60
<b>FICA Tax</b>	\$1836.00
<b>After-Tax Deduction</b>	\$720.00
<b>Spendable Income</b>	\$18112.80
	<b>With Flex Park</b>
<b>Salary</b>	\$24,000.00
<b>Pre-Tax</b>	\$720.00
<b>Taxable Income</b>	\$23,280.00
<b>Federal Tax</b>	\$1891.20
<b>State Tax</b>	\$1301.76
<b>FICA Tax</b>	\$1780.92
<b>After-Tax Deduction</b>	0
<b>Spendable Income</b>	\$18,306.12

This example shows a **tax savings** of \$193.32 per year.

## HOW DO I ENROLL?

When you sign up for parking, you will be asked to complete the Application for Parking and Salary Assignment/Cancellation (AMD-PC-001) form issued by DAGS/AMD. On this form, you must mark the box "TB-760, Enroll me in the Flex Park Benefit Plan so that my parking fees will be deducted on a pre-tax basis."

However, if you are **not** interested in participating, you must mark the box "PK-770, Do not enroll me in the Flex Park Benefit Plan so that my parking fees will be deducted on an after-tax basis."

## HOW CAN I TELL IF I'M ENROLLED IN THE FLEX PARK PLAN?

Your payroll statement will show a parking deduction listed under the "Before-Tax Deduction" section as "DAGS Automotive Pre-Tax Parking."

## MAY I CHANGE MY ELECTION DURING THE YEAR?

Yes. If you wish to enroll, cancel or re-enroll in the plan at any time during the year, you must file DAGS Form AMD-PC-001, revised 5/11, with DAGS Parking Control Branch at least 20 calendar days prior to the day the election applies.

## WILL MY RETIREMENT, SOCIAL SECURITY, DEFERRED COMPENSATION OR TAX-SHELTERED ANNUITY PLAN BENEFITS BE AFFECTED?

The Pre-Tax Parking Plan will not affect your State Employees' Retirement System Plan benefits.

Your Social Security benefits may be slightly reduced because your Social Security benefits and taxes will be calculated on your reduced salary amount.

Your enrollment in Flex Park will not affect your Deferred Compensation (DC) or Tax-Sheltered Annuity (TSA) Plans contributions.

## WHAT HAPPENS IF I GO ON LEAVE WITHOUT PAY?

If you plan to retain your parking assignment while you are on a leave without pay, you need to continue paying for your monthly parking fee on an out-of-pocket basis to DAGS/AMD. Upon return from your leave without pay, your participation in Flex Park shall continue automatically.

## WHAT SHOULD I DO IF I TERMINATE EMPLOYMENT?

DAGS/AMD deducts your parking fees one pay period in advance. So, if you will be terminating State employment, you **MUST** file DAGS Form AMD-PC-001, rev. 5/11, with DAGS' Parking Control Branch at least 20 calendar days prior to the cancellation of your parking assignment to avoid any forfeitures. Any amounts forfeited will not be refunded by DAGS/AMD.



If you have a specific question about the plan, please call HRD/Employee Assistance Office at

808-587-1076. For specific parking assignment concerns, please call your departmental parking coordinator.

Administered by the Department of Human Resources Development.

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