

**Qualified Parking Salary Reduction Agreement**

This form is used to authorize salary reduction for parking that is provided to employees by Carnegie Mellon University on or near the premises of the University. Please read the shaded areas and then complete the unshaded areas of the form.

By completing this form, the employee agrees that the employee's salary from the University shall be reduced by the amount that the employee would otherwise be required to pay for the parking that the employee has chosen in accordance with the University's policy and procedures. In return, the University agrees to waive the payment that would otherwise be required from the employee for the parking.

The employee and the University intend by this agreement to take advantage of section 132(f)(4) of the Internal Revenue code of 1986, which provides, effective January 1, 1998, that employees are not subject to federal income tax or FICA on the amount of any "qualified parking" received in lieu of compensation. They agree that this agreement will be subject to the limitations of that section.

Because there are no rulings or regulations under that section, however, both the employee and the University recognize that those tax benefits are not guaranteed. The University reserves the right to modify this agreement if necessary or appropriate to obtain or preserve the tax benefits in light of future rulings and regulations of the U.S. Treasury Department. (See below for discussion of other consequences.)

I am paid monthly.       I am paid bi-weekly.      Effective date of salary reduction: \_\_\_\_\_

Regardless of the effective date shown, this agreement will not take effect earlier than the next pay period that *begins* after this form is filed with the University. It is irrevocable with regard to compensation earned while it is in effect. This agreement will last until the employee terminates it.

If you have previously completed a salary reduction agreement for parking but would like to revoke it, use this space.

I hereby revoke my salary reduction agreement for qualified parking.

This revocation will take effect with the next pay period that *begins* after this form is filed with the University.

The employee understands that, if the tax benefits are achieved, salary reduction under this agreement will reduce the employee's income subject to federal income tax. Since contributions to retirement programs such as tax-sheltered annuity programs are limited by federal law to a certain percentage of the employee's taxable compensation, salary reduction under this agreement may reduce those limits.

In addition, it is expected that salary reduction under this agreement will reduce the employee's income subject to Social Security tax (FICA). Under the current Social Security system, when an employee retires and claims Social Security benefits, the benefits are based on the earnings on which the employee paid Social Security taxes. Using this feature to reduce the earnings on which an employee pays Social Security taxes will reduce the earnings that the Social Security Administration uses to compute the employee's Social Security benefits and may result in a lower Social Security benefit.

The employee executes this salary reduction agreement intending to be legally bound hereby.

\_\_\_\_\_  
Print name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Social Security Number

\_\_\_\_\_  
Date

**Return this form to Parking Services, East Campus Garage.**