

Qualified Transportation Fringe Benefits

- The Tax Cuts and Jobs Act (Tax Reform) passed by the Federal Government, effective January 1, 2018, made extensive changes to the tax code related to qualified transportation fringe benefits. These tax code changes impacted two programs for UW System employees:
 - **Commuter Benefits (i.e. parking, vanpool and bus passes)**
 - **Parking & Transit Accounts (formerly administered by TASC)**
- Due to the significant tax implication UW System made the decision to change Commuter Benefits from a pre-tax to post-tax deduction and the Parking & Transit Accounts were no longer offered to employees effective June 1, 2018.
- On December 20, 2019, H.R. 1865 (“The Further Consolidated Appropriations Act 2020”) was signed into law. This act repealed certain provisions of the Tax Cuts and Jobs Act.

Qualified Transportation Fringe Benefits

- As a result, the UW System's tax liability implications changed. This means UW System will change **Commuter Benefits** from post-tax to pre-tax.
 - Monthly paid employees – change will be effective on the January 31st paycheck
 - Biweekly paid employees – changes will be effective on the January 30th paycheck
- Commuter Benefits taken on a post-tax basis in 2018 and 2019 will not be changed.
- **Parking & Transit Accounts** – UW System HR is working with the Department of Employee Trust Funds (ETF) on approval and potential re-implementation of these programs. We will keep you updated as we learn more.
- A *portal article* will be posted the week of January 13th and an all employee email will follow notifying employees of these changes as well as when to expect the changes to appear on their paychecks.
- Please send questions to uwshr@uwsa.edu.

Qualified Transportation Fringe Benefits

- Service Operations identified 1,353 post-tax parking deductions in HRS
- Service Operations:
 - Created Before-Tax deductions for these employees with the same values as the After-Tax deductions
 - Stopped After-Tax deductions for these employees
 - List will be sent to the affected campuses:
 - UW – Oshkosh
 - UW – Parkside
 - UW – River Falls
 - UW – Superior

Health Care FSA: 2019 Unsubstantiated Claims

Communications:

The final communication to affected participants will be sent the week of January 13th by UW System HR.

This communication will notify affected participants that payroll withholding will begin January 30th (biweekly paid employees) and January 31st (monthly paid employees).

The communication and list of affected participants will be sent to the institutions prior to it being sent to the affected participants.

Health Care FSA: 2019 Unsubstantiated Claims

Payroll Withholding Process:

Balances **equal to or less than \$100:**

Withheld from 1 paycheck (1/30 for biweekly paid employees; 1/31 for monthly paid employees).

Balances **greater than \$100:**

- **Biweekly paid employees:** equal deductions withheld from 5 paychecks (1/30, 2/13, 2/27, 3/12 and 3/26)
- **Monthly paid employees:** equal deductions withheld from 2 paychecks (1/31 and 2/28)

Health Care FSA: 2019 Unsubstantiated Claims

What if payroll withholding will cause a financial hardship?

The **institution** should contact UW System HR at uwshr@uwsa.edu ASAP. There **may** be an opportunity to reduce the amount taken through payroll withholding. However, a minimum of \$250 **must** be processed through payroll withholding.

Institutions should **not** stop or modify an employee's general deduction in HRS.

Options for financial hardships should not be advertised. Claims that remain unresolved (e.g. financial hardship) after the payroll withholding process will be converted to business debt.

Health Care FSA: 2019 Unsubstantiated Claims

What if claims are resolved during the payroll withholding process?

TASC will notify UW System HR to stop future deductions. TASC will automatically issue a refund check directly to the participant.

Please refer employees to TASC with questions regarding their unsubstantiated claims:

TASC Customer Care

844-786-3947 or 608-316-2408

1customercare@tasconline.com

Resource: www.wisconsin.edu/ohrwd/benefits/fsaunsubstantiated

Wisconsin Deferred Compensation (WDC) Fee Increase

Effective January 1, 2020, WDC administrative fees will increase to cover recordkeeping and related plan services. The monthly fee varies based on the participant's account balance.

Participant Account Balance	2019 Monthly / Annual Fee	2020 Monthly / Annual Fee
\$1 - \$5,000	\$0 / \$0	\$0 / \$0
\$5,001 - \$25,000	\$1 / \$12	\$1 / \$12
\$25,001 - \$50,000	\$3 / \$36	\$3.25 / \$39
\$50,001 - \$100,000	\$6 / \$72	\$6.50 / \$78
\$100,001 - \$150,000	\$8 / \$96	\$8.50 / \$102
\$150,001 - \$250,000	\$11 / \$132	\$11.75 / \$141
Over \$250,000	\$16.50 / \$198	\$17.50 / \$210

BN: ICI Timeline

January 18, 2020

- UW-Shared Services Service Operations will send email notices to employees eligible for Deferred and/or Supplemental enrollment into ICI
- Administrators should use the HRS Email Lookup Tool to find Employees who have received the Deferred and/or Supplemental enrollment email
 - [Main Menu > UW Enterprise Utilities > Mail Retrieval Page](#)
- ICI look-up tool will be available on ICI Landing page. It provides ICI category and premium information by Empl ID.

BN: ICI Resources

Employee References:

- <https://www.wisconsin.edu/ohrwd/benefits/dis/ici/>

Administrator References:

[ICI Administrator Landing page](#)

- A list of KB resources
- Links to UW System HR and UWMSN Policy are available

Faculty Sabbatical Updates

- With the recent pay plan increases, Earning amounts in Addl Pay for full year Faculty Sabbatical need to be updated
 - Earnings Code 'USB'
 - Makes employee whole for WRS and Absence accruals
 - Hours amount remains the same
 - Reference Faculty Sabbatical KB 17072
- Step 1: End Existing USB Addl Pay record
 - Use your institution's C-basis December 2019 pay calendar end date as both the beginning and end date to terminate the existing USB Addl Pay record
 - See KB 17094 for information on stopping an active additional pay record

Faculty Sabbatical Updates

- Step 2: Create January Addl Pay
 - Use your institution's C-basis January payroll month for Begin and End dates
 - Earnings for January = Half month at old rate plus half month at new rate
 $(\text{Old monthly rate} \times .5) + (\text{New monthly rate} \times .5) \times 35\%$
- Step 3: Create February thru May Addl Pay
 - Begin date = First day of February C-basis payroll month
 - End date = Last day of May C-basis payroll month
 - Earnings = New monthly rate x 35%