

## Taxable Benefit – Parking Frequently Asked Questions

### Why is this a taxable benefit?

The Canada Revenue Agency (CRA) assesses a taxable benefit for parking provided to employees at less than fair market value. Fair market value is determined to be the cost the University incurs to obtain parking (including applicable taxes) for its employees.

### How is the taxable benefit calculated?

Per CRA guidelines, the taxable benefit is the fair market value less the amount paid by the employee, calculated as follows:

<b>\$211.15</b>	Fair Market Value: Monthly amount paid by the University
<b><u>\$ 96.34</u></b>	Monthly amount paid by the employee
<b>\$114.81</b>	Monthly taxable benefit amount

The assessed taxable benefit will be added to the employee's income as earnings, subject to Canada Pension Plan (CPP) and Income Tax deductions. This treatment is the same as other employer paid taxable benefits.

### Why was this not considered a taxable benefit in the past?

Prior to April 1, 2021 employees had the option to park in surface parking or in the underground lot. Due to the cost difference to secure spaces in both lots – one cost less than the amount charged to employees and one cost more – it was felt that a taxable benefit was not incurred.

Effective April 1, 2021 parking for pass holders is restricted to the underground lot at 565 Great Northern Way. The current cost to the University for these spaces is considerably greater than the amount charged to employees, requiring a taxable benefit be assessed.

### Are there any exemptions?

Per CRA rules, an exemption can be considered to employees who meet either of the following criteria:

1. *The employee holds a valid SPARC pass* - Employees with a disability who hold a valid SPARC parking permit are exempt from the taxable benefit under the CRA's guidelines.
2. *The employee is required to use their vehicle for business purposes* – employees who are required to use their vehicle three or more days on a weekly basis for work-related travel are not subject to a taxable benefit for parking. Note that travelling to and from work is not considered work-related travel. The CRA requires that work-related use is supported by a mileage log.

To request an exemption, please submit the completed Taxable Benefit – Parking Exemption form to [paysalary@ecuad.ca](mailto:paysalary@ecuad.ca). Completed forms require a supervisor's signature confirming the requirement and frequency of work-related travel.

### What if I telecommute on a regular basis, or don't work full time?

The taxable benefit is assessed for anyone purchasing a parking pass. The CRA deems that the pass is always available for use, regardless of actual usage, and is not prorated. Employees wishing to avoid a taxable benefit can purchase parking on an as-needed basis, at the posted daily rates.

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### **What if I carpool, can the benefit be split between employees?**

As per CRA guidelines, the employee who purchases the parking pass will be assessed the taxable benefit. As carpooling is an arrangement between individuals, the driver can decide whether to charge others in the vehicle for costs incurred.

### **What if I return my parking pass?**

A taxable benefit will only be assessed for each pay period in which a parking pass is held. Passes can be returned to Facilities and the benefit will not be assessed on your next pay cheque. No proration will be made for partial usage within a pay period.

**More questions?** Please contact [paysalary@ecuad.ca](mailto:paysalary@ecuad.ca)