

VEHICLE ALLOWANCES AS IMRF EARNINGS PA 100-0411

GROUP 1 *Section 3.96 F. 5. a*

Vehicle Allowance for Business Use of a Personal Vehicle

PA 100-0411 does affect vehicle allowances for business use of a personal vehicle.

PA 100-0411 no longer allows employers that have adopted a resolution allowing IMRF reporting of vehicle allowances to report those allowances for employees who first began participation in IMRF on or after August 25, 2017. Employers who have adopted the resolution (Form 6.74) can still report these vehicle allowances for “existing” members.

- “Existing” members – those whose IMRF participation began before August 25, 2017 – can still be allowed to have vehicle allowances considered IMRF earnings if the employer has adopted the resolution.

- “New” members – those whose IMRF participation began on or after August 25, 2017 – are **not** allowed to have vehicle allowances considered IMRF earnings, even if the employer has adopted the resolution. Note: Participation is based on any IMRF participation, not participation with that employer.

EXAMPLE: Vehicle allowances for a City Manager

A **new** City Manager (with no previous IMRF participation) is hired by an IMRF employer in January 2018 and is paid a \$250 per month vehicle allowance to pay for the business use (as City Manager) of his personal vehicle.

The vehicle allowance for this “new” member – one who began participation on or after August 25, 2017 – is not reportable as IMRF earnings under PA 100-0411, regardless if the employer adopted the resolution.

An **existing** City Manager is paid a \$250 per month vehicle allowance to pay for the business use (as City Manager) of his personal vehicle.

The vehicle allowance is taxable income, and is reportable as IMRF earnings if this employer has adopted the resolution allowing vehicle allowances to be reportable as IMRF earnings. PA 100-0411 does not make any changes to this process for this type of situation, provided that the resolution is on file.

GROUP 2 *Section 3.96 F. 5. b*

Personal Use of Employer-provided Vehicle

PA 100-0411 does NOT affect personal use of an employer-provided vehicle

The employer of an IMRF member assigns the member a vehicle for work purposes.

The member must account for any personal use of that employer vehicle and report the mileage to the employer.

The employer calculates the value of that personal mileage and reports it as income for the member. The amount of the personal use of the employer-provided vehicle is reportable as IMRF earnings.

EXAMPLE: Personal miles for a County Health Department Visiting Nurse

A County Health Department visiting nurse is assigned a county vehicle as part of her job responsibilities. The nurse is allowed a set amount of personal miles that must be tracked and reported to the employer. The nurse is not required to pay back the employer for the value of this personal mileage.

The value of this mileage is considered taxable income and is considered IMRF earnings.

PA 100-0411 has no effect on this type of vehicle usage. There is no change.

GROUP 3 *Section 3.96 F. 5. c*

Reimbursements

PA 100-0411 does NOT affect reimbursements.

Reimbursements made for vehicle and travel expenses under an accountable plan is never considered IMRF earnings, and never considered income.

This is true even if an employer elected to make taxable expense (vehicle) allowances reportable.

EXAMPLE: Reimbursement for mileage for IMRF member traveling to a work-related conference

An IMRF member goes to a work-related conference in her own vehicle.

The member reports the mileage to and from the conference to her employer and the employer reimburses the member for the cost of that mileage. The member receives payment from her employer.

This vehicle use – reimbursement – is **never** considered IMRF earnings and **never** considered income.