

## CURAC Campus Parking Summary

Free parking on campus has been a much treasured perk enjoyed by retirees at a number of campuses in Canada. This report summarizes feedback from the member associations who responded to a query sent to CURAC member associations asking whether free parking is made available on the university or college campus.

Free parking turns out to be an unusual benefit. Of the 14 campuses replying, 5 acknowledged unrestricted free parking, 3 noted reduced rates and 6 indicated retirees were not treated any differently than other visitors to campus. Viewed somewhat differently, 8 of the universities or colleges recognized the value of retiree contributions either in the past or on a continuing basis.

The benefit has been threatened by proposals at some universities to recognize the practice as a taxable benefit. Apparently, on at least two campuses, movement in this direction was inspired by advice from a major accounting firm that provides advice to the universities. Evidently, the Canada Revenue Agency has been considering whether this and other perks enjoyed by faculty, staff and administrators should be construed as taxable benefits. At present, consideration of free parking as a taxable benefit seems to be restricted to those receiving income from the university. A decision to designate it as such might relate to whether the report of the income is through a T4 or T4A. There clearly is ambiguity in this.

Additional comments of interest follow, perhaps distorted somewhat as the feedback was reported in a somewhat tentative manner or confidentiality seems to be deserved (I do not want to finger people for the feds!). I will not comment on the angry feedback to administration inspired by proposals to adulterate the perk on at least two campuses other than to say I am told mistreatment of retired academics and staff leads to loss of substantial donations and bequests.

One respondent, who made it clear they had no credentials to advise on taxation, summarized the situation as follows: "The relevant Section 6(3) of the Income Tax Act states that complimentary parking passes are indeed taxable as employee benefits, but only if the pass-holder accepts further paid contractual employment [at the University] in the relevant tax year." Note that one would have to be on the payroll for this to apply. It also seems possible that these actions are not driven so much by CRA as by efforts to reduce what seems to be "nonessential parking" on campus.

Some administrators seem to be appraising the perk at the level that would be paid if one were fully charged for parking as a faculty or staff member ("fair market value"), e.g., \$1,100. Given that most often retiree use is minimal that seems unreasonable. Valuations of passes should be at substantially reduced levels. The magnitude of the declared benefit should at least reflect the extent to which it is used, which would vary considerably. Further, even if the retiree were receiving income from the university, most often this would be at a level substantially reduced from a regular salary. The considerable contribution to universities through the volunteer activities of retirees seems unlikely to be considered in the calculations. Perhaps considering free parking a taxable benefit would be reasonable if the universities and campuses compensated retirees for their work at a level commensurate with salaries for the professoriate or other retirees! I did like the observation, "Are members of university boards taxed if they are allowed to park free when they attend their meetings?"

Perhaps more of us should be pressuring for parking privileges, given the very considerable volunteer time retirees often donate to pursuing the mandates of colleges and universities.