

**WAC 415-108-480 Vehicles—Does the value of my use of an employer vehicle qualify as compensation earnable?** (1) PERS Plan 1 members:

(a) Use of an employer vehicle for business purposes does not qualify as compensation earnable. If your employer's established policy prohibits the use of an employer vehicle for nonbusiness uses, all use of the vehicle will be deemed business use.

(b) Use of an employer vehicle for nonbusiness purposes qualifies as compensation earnable if:

(i) Your employer reports your personal use of the vehicle to the IRS as taxable income under IRC Section 61 and Treas. Reg. Section 1.61-21; or

(ii) Your employer maintains monthly records of your personal use. These records must contain:

(A) Your employer's authorization of your personal use;

(B) The distance normally commuted each day during the month, if you use the vehicle to commute;

(C) The dates, mileage, and itinerary of each personal trip other than a commute trip;

(D) Your total mileage for the month; and

(E) The ratio of personal mileage to total mileage, expressed as a percent.

(c) The department presumes that your use of an employer vehicle is solely for business purposes. If you used an employer vehicle for personal use, your employer must report the value of this use as compensation earnable on a monthly basis. Monthly compensation earnable is the lesser of the following:

(i) Fair Market Lease Value x Percentage of Personal Use

(ii) Miles of Personal Use x IRS Mileage Rate.

The IRS Mileage Rate is the mileage rate adopted by the Internal Revenue Service for use by taxpayers in computing the value of the use of a vehicle.

(2) **PERS Plan 2 and 3 members.** If you are a member of PERS Plan 2 or 3, you are not entitled to count any of the value of an employer-provided vehicle as compensation earnable.

[Statutory Authority: RCW 41.50.050(5) and 41.40.010. WSR 02-03-120, § 415-108-480, filed 1/23/02, effective 3/1/02. Statutory Authority: RCW 41.50.050. WSR 95-22-006, § 415-108-480, filed 10/18/95, effective 11/18/95. Statutory Authority: RCW 41.40.010(8) and 41.40.020. WSR 87-17-061 (Order DRS 87-08), § 415-108-480, filed 8/19/87.]