

WAC 415-112-41301 Are vehicle allowances earnable compensation?

(1)(a) **Plan 1.** Vehicle allowances may be earnable compensation for Plan 1 members according to this section.

(b) **Plans 2 and 3.** Vehicle allowances are **not** earnable compensation for members of Plans 2 and 3. Subsections (2) through (5) of this section apply to Plan 1 members only.

(2) For TRS Plan 1:

(a) A vehicle allowance is not earnable compensation if it is received in lieu of expenses you incur or expect to incur in using your own vehicle for business purposes.

(b) A vehicle allowance qualifies as earnable compensation to the extent that it exceeds your actual expenses. For instance, if you receive both a vehicle allowance and separate reimbursement for vehicle expenses each time you use a privately owned vehicle for business purposes, the vehicle allowance is earnable compensation.

(3) To prove that your vehicle allowance exceeded your actual expenses, your employer must maintain ongoing monthly records, documenting:

(a) The dates, if any, on which you used a privately owned vehicle in performing services for your employer;

(b) The miles you drove the vehicle on each of these trips;

(c) Your itinerary for each of these trips; and

(d) The amount of the allowance LESS the actual expenses, using IRS methodology. Under the IRS methodology, your actual expenses are the miles you drove multiplied by the IRS rate.

(i) The miles you drove are the number of miles you drove a privately owned vehicle for business purposes during the month.

(ii) "IRS rate" means the Internal Revenue Service mileage rate for use by taxpayers computing the value of the use of a vehicle.

(4) If a vehicle allowance exceeds your actual expenses, your employer must report the excess, calculated in subsection (3)(d) of this section.

(5) If any part of a vehicle allowance is included in the calculation of your retirement allowance, your employer will be billed for excess compensation under RCW 41.50.150.

[Statutory Authority: RCW 41.50.050(5) and 41.32.010(10). WSR 05-12-108, § 415-112-41301, filed 5/27/05, effective 6/27/05. Statutory Authority: RCW 41.50.050. WSR 99-14-008, § 415-112-41301, filed 6/24/99, effective 7/25/99; WSR 95-22-006, § 415-112-41301, filed 10/18/95, effective 11/18/95.]