

Town of La Pointe Ashland County, Wisconsin

Resolution No. 2026-0428A

A Resolution Authorizing a Salary-Reduction Program for Qualified Transportation Fringe Benefits for Ferry Passes on the Madeline Island Ferry Line

WHEREAS, the Town of La Pointe employs full-time, part-time, and paid "volunteer" personnel, including firefighters/EMS and other officials, who rely on the Madeline Island Ferry Line for transportation; and

WHEREAS, Section 132(f) of the Internal Revenue Code permits employees paid a W-2 wage from the Town to elect to receive qualified transportation benefits, including transit and ferry transportation, on a pre-tax basis through a salary-reduction arrangement; and

WHEREAS, the Internal Revenue Service has established a monthly exclusion limit of \$340 for 2026, subject to annual adjustment; and

WHEREAS, the Town desires to provide employees access to this tax-favored benefit in a manner that is administratively simple, cost-neutral to the Town, and consistent with federal tax law; and

WHEREAS, a qualified transportation fringe benefit program of this nature constitutes a payroll practice and is not an employee welfare benefit plan subject to ERISA.

NOW, THEREFORE, BE IT RESOLVED by the Town Board of the Town of La Pointe, Ashland County, Wisconsin, that:

1. Program Established. The Town hereby establishes a salary-reduction program allowing eligible employees to elect to set aside pre-tax wages for ferry transportation under IRC §132(f).
2. Maximum Monthly Election. The maximum amount shall be \$340 per month for 2026 and automatically adjusted in future years.
3. Election Requirements. Elections must be prospective, may be modified no more than once per month, and must be loaded onto a ferry card in the employee's name.
4. Use of Funds. Amounts shall be used solely for ferry transportation and are not refundable or transferable.

5. Administration. The Town Clerk/Treasurer shall administer the program, maintain records, and coordinate loading of ferry cards.

6. Nature of Program. This program is a qualified transportation fringe benefit under IRC §132(f) and a non-ERISA payroll practice.

7. Effective Date. This Resolution shall take effect immediately upon adoption.

with the payroll payable on 6/18/26.

Adopted this 28th day of April, 2026.

Town Board, Town of La Pointe

Carol Carson

Town Chair

Michael Anderson

Supervisor

[Signature]

Supervisor

[Signature]

Supervisor

Supervisor

Attested:

Alan Smith

Town Clerk