

Transportation and Parking Plan Frequently Asked Questions

A transportation and parking plan allows participating employees to use tax-free funds to pay for qualified transportation expenses. The Employer may allow for the following Qualified transportation expenses:

- *Transit passes* – any pass, token, voucher, or similar item that entitles you to transportation on mass transit facilities or vanpool.
- *Qualified parking expenses* – parking expenses you incur to park on or near your employer's business premises, or at a location from which you commute to work.
- *Transportation in a Commuter Highway Vehicle* – transportation provided by a company to connect you between your residence and place of employment. The vehicle needs to have a seating capacity of at least six adults and at least 80% of the vehicle's mileage a year is for transporting employees

Who controls and contributes to these plans?

Employers establish the plan. Please reference the Summary Plan Description for the Transit Plan for details regarding Qualified expenses. Transportation and parking plans may have employer and employee contributions. Employers retain participants' pre-tax contributions and participants submit claims for reimbursement.

What are the tax benefits?

Contributions to the plan are not treated as taxable income to the employee, and the employee may spend tax-free funds to cover eligible transportation and parking expenses. You save money by participating in the plan if you remain an employee.

How do I make an election?

Participants must complete an election form before the first day of a month that they will incur expenses and can make changes monthly for subsequent months.

Is there a monthly limit for these expenses?

Yes, the monthly limits are established by the IRS:

2020 Monthly Statutory limits

Qualified parking expenses:	\$270
Transit expenses:	\$270

What if my expenses are less than the amount I have elected?

Amounts elected but not used can be carried over and may be used for qualified expenses in future months while an active employee.

If I terminate employment, can I still submit expenses and what happens to my account balance?

Yes, you may continue to submit claims for expenses incurred on or before your termination date. Claims may be submitted for expenses within 90 days of the date of service.

Contributions made that cannot be claimed with qualified expenses, including amounts carried over from prior months, are forfeited.