

Qualified Transportation Reimbursement Plan

A Brief Guide

What is a Transportation Plan?

A Section 132 Transportation Plan lets employees set aside a certain amount of each paycheck into an account — before paying income taxes. During the plan year, participants have access to this account for transit and parking expenses. Reimbursements to employees are tax-free.

Transportation Plans include the costs that employees might incur in their regular commutes to and from work.

Which types of transportation expenses are covered?

Qualified transportation plans cover two distinct forms of expenses, Transit, including costs for “commuter highway vehicle transportation” and “transit passes” which in 2009 has a statutory limit of \$120 per month, and “qualified parking” which has a separate statutory limit of \$230 per month.

What are the Advantages?

Your Paycheck Without A Transportation Plan

Salary	\$ 2,000
FICA, federal, state taxes	-\$ 500
Transit Expenses	-\$ 65
Parking Expenses	-\$ 180
Net Pay	
Without A Program	\$1,255

Your Paycheck With A Transportation Plan

Salary	\$ 2,000
Transit Expense*	-\$ 65
Parking Expense*	-\$ 180
Adjusted earnings	\$ 1,755
FICA, federal, state taxes	-\$ 450
Net Pay	
With A Program	\$ 1305

*Paid through the Transportation Reimbursement Plan.

Note: Actual savings may vary depending upon specific tax situation.

What are the Disadvantages?

You must decide before the benefit period (month) begins how much you would like to set aside. Once the month has started you cannot make a change for that month. You can make a change prior to the first of each month.

Any unused amounts in a month are carried over to the next month but reimbursement is limited to the statutory amount for the month. Unused amounts will be forfeited if not used by the end of the plan year.

Contributions to the Social Security Retirement System will decrease which could result in a slightly lower Social Security retirement benefit.

How do I Enroll?

A Benefit Election Enrollment & Change Form must be completed prior to the period that the benefit will be provided. The election is irrevocable after the period begins. Each period is for one calendar month, beginning on the first day of the month. The election must be dated and be for a specified amount not to exceed the statutory monthly limits (\$120 for Transit and \$230 for Parking in 2009). The election automatically renews each subsequent period until the employee prospectively changes or revokes their election for the forthcoming period(s).

How do I get reimbursed?

Submit a completed claim form with your receipt(s) to:

Benefit Administration Company
P.O. Box 550
Seattle, WA 98111-0550
Fax 206-682-8016

Claim forms can be accessed on our website at www.benefitadministrationcompany.com or from your HR Office.

How much will I be reimbursed?

You will be reimbursed up to the amount you have actually contributed at the time of your claim, not to exceed the amount of your claim or the statutory monthly limit.

RECEIPTS CANNOT BE MORE THAN 180 DAYS OLD – NO CLAIMS WILL BE ACCEPTED AFTER MARCH 31, 2010