



Commuter and Parking Solutions

Enjoy big savings with our tax-advantaged accounts

We make it easy for your company to offer a commuter and parking benefit program, saving you and your employees money. Allow employees to use pre-tax funds for work-related commuter expenses as governed under Section 132 of the tax code.

Employer Savings

Your company can save up to 7.65% on payroll taxes as employees use pre-tax dollars to cover their commuting expenses.

Example: 200 participants spending \$260 per month on parking expenses

- 200 participants x \$260 = \$52,000
- \$52,000 x 7.65% = \$3,978 month
- Annual employer tax savings = **\$47,736**

Employee Savings

By participating in this program, employees can pay for their commutes with pre-tax dollars and save on income, Social Security, and FICA taxes.

Example: Employee A does not use his parking benefit. He purchases a parking pass for \$260, reducing his spendable income by \$260.

Employee B does use her parking benefit to purchase a parking pass for \$260. Her spendable income is reduced by \$182, saving her **\$78 each month and \$936 annually** (assuming her tax rate is 30%).

Trusted Partnership

We remove your administrative burden and deliver increased cost savings.

- Expert, dedicated support from a team of professionals dedicated to clients' strategic and day-to-day needs
- Complete account transparency through detailed online reporting tools
- Proven implementation methodology and specialists speed the implementation timeline and accommodate customizations
- Communication kits ease implementation, boost enrollment, and increase employee satisfaction rates
- Programs that drive higher employee benefits satisfaction rates and increased tax savings

Frequently Asked Questions

What are the monthly pre-tax limits?

For 2018, the monthly pre-tax limits are \$260 for transit and vanpool expenses, and \$260 for parking expenses. These limits are set by the federal government and are subject to change annually.

What types of commuting expenses qualify?

Public transportation, vanpools or commuter highway vehicles, and parking at or near an employee's place of employment are all eligible pre-tax expenses. In addition, parking at a location from which an employee commutes to work, (via public transit, vanpool or carpool), is also qualified.

What expenses are not allowed on a pre-tax basis?

Under the law, mileage, tolls, fuel, and carpooling are not part of this program. Business travel and other reimbursed expenses are also excluded from this benefit.

Do I need a written plan document? Is discrimination testing required?

No plan documents or special filings are required at this time. No discrimination testing is required at this time.

Are there any substantiation requirements?

There are no substantiation requirements if transit passes are distributed directly to employees.

Are all employees eligible?

Yes, all common law and other statutory employees (such as officers in corporations) are eligible. However, individuals who are partners, 2% shareholders of S corporations, or independent contractors are not eligible.

Why can't I offer cash reimbursement for transit?

The law prohibits the use of cash reimbursement where transit passes and vouchers are readily available. We work with transit agencies nationwide, so passes and vouchers are readily available for distribution directly to your employees' homes.

How long does it take to implement?

Implementation is easy and can be completed in as little as three weeks.

What commuting products are available?

We work with transportation providers and parking companies nationwide. With more than 100,000 individual products available, we're sure to be able to meet the needs of all of your employees.

What if a pass isn't currently listed?

In the rare instance that we do not list a necessary transit provider, we can work to add them to our network. This usually only takes a couple of days.

What happens if a pass doesn't arrive in the mail?

If an employee does not have their pass in hand to use as of the first day of the month, they simply purchase the pass they need and submit a form to be reimbursed for that expense. Funding for lost passes will be according to the lost pass policy in effect with the employer.