

## Employee FAQ: Commuter accounts

### What is a commuter account?

A commuter account is an employer-sponsored benefit program that allows you to set aside pre-tax funds in separate accounts to pay for qualified mass transit and parking expenses associated with your commute to work.

### Why should I participate?

Contributions to a commuter account are deducted from your paycheck on a pre-tax basis, reducing your taxable income. You can save an average of 30% on your eligible transit and parking expenses.

### What is a qualified mass transit expense?

Qualified expenses include transit passes, tokens, fare cards, vouchers, or similar items entitling you to ride a mass transit vehicle to or from work. The mass transit vehicle may be publicly or privately operated and includes bus, rail, or ferry.

### What qualifies as van-pooling?

Van-pooling is not to be confused with carpooling. Van-pooling requires a commuter highway vehicle with a seating capacity of at least 7 adults, including the driver. At least 80 percent of the vehicle mileage must be for transporting employees between their homes and workplace with employees occupying at least one-half of the vehicle's seats (not including the driver's seat).

### Can I use my commuter account for commuting expenses like tolls and gas?

No. Benefits may not be used for tolls, gas, mileage or other personal commuting expenses.

### Can I use my commuter account to pay for business or personal travel expenses?

No. You can only use commuter account funds to pay for your regular commute between your home and office on mass transit or van-pools.

### Whose commuter expenses are covered?

Qualified expenses include those incurred for your transportation between your residence and worksite. Expenses for your spouse or dependents are not eligible.

### Is there a limit to how much I can contribute?

Yes. Monthly limits are set by the IRS. Refer to the website for the current limits. Any monthly expenses above these limits cannot be exempt from taxes and cannot be applied to future months.

### **How does it work?**

Once you've placed your order using the online ordering system, payroll will automatically deduct from your paycheck the amount needed to pay for your purchases. The amount—up to the federally mandated before-tax limit per month—will be deducted before taxes are withheld. Purchases that exceed the pre-tax limit will be processed on a post-tax basis.

For your convenience, you can establish recurring orders on the website so the products are automatically sent to you each month. With recurring orders, deductions from your pay and the purchase of your monthly benefits will continue indefinitely until you stop or suspend the purchase.

### **Can I change my election?**

You can join or discontinue the benefit at any time based on the current ordering period as long as you're actively working. You can't cancel your monthly order after the ordering period is closed.

In general, the deadline to place orders is the 10th of the month proceeding the benefit month. This deadline can vary depending the specific transit authority or your employer's specific guidelines. Once enrolled, you can visit the Commuter website for full details.

### **What happens if I leave my employer?**

Since this is a pre-tax benefit plan governed by the IRS, credits or funds remaining in your account will be forfeited.