



## Overview of the Qualified Parking Expense Plan

A Qualified Parking Expense Plan is an IRS approved plan under Section 132 of the Internal Revenue Code. This plan allows participants to contribute money through payroll deductions on a pre-tax basis. Pre-tax means that the money is withheld from your paycheck prior to paying any federal, state or local taxes. The money that is set aside is then used to pay for work-related parking expenses.

### The plan works like this:

- You determine that you want to participate and you determine a monthly election which will be taken out of your paycheck on a pre-tax basis
  - You may elect to put aside up to \$270 per month and therefore, receive up to a maximum annual reimbursement of \$3,240
  - You will be reimbursed only what has been withheld from your paycheck and for an amount not to exceed the maximum monthly limit of \$270 per month
  - The pre-tax dollars you set aside will then be used to pay for any expenses incurred to park your car at or near work (i.e. rideshare, carpool, van pool, train)
  - Methods of payment for these services will be the Benefits MasterCard supplied by PlanSource when you elect to participate in the plan or you will be reimbursed for your expenses after completing a reimbursement claim form and providing the receipts to document the expense
  - No "Use-it-or-lose-it" rule; leftover money rolls into the next year
- Elections can be changed from month to month
  - If applicable, a Qualified Parking Expense Plan election will be separate from a Qualified Transit Expense Plan election

### Expenses that are **NOT** allowed for reimbursement under the Qualified Transit Expense Plan:

- Costs incurred to park your car at your residence
- Parking costs incurred when you park at a lot owned or sponsored by your Employer

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