



Overview of the Qualified Transit Expense Plan

A Qualified Transportation 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 commuting and van pool 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 pass, token, farecard, voucher or similar item used for a mass-transit system in order to commute to work
 - Van pools are also eligible as long as the van seats six passengers and is used for commuting to work
 - 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
- The Benefits MasterCard will only work if the terminal used to pay for these expenses only sells Qualified Transit Passes
 - 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 Transit Expense Plan election will be separate from a Qualified Parking Expense Plan election

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

- Transit expenses not associated with your commute to work
- Your Qualified Transportation Expense Plan also may not be used for tolls, gas, or other driving-related expenses
- Transit expenses when a voucher system is already sponsored or made available by the Employer

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