



February 2009

Commuter Choice Transit Benefit Increases To \$230 Per Month March 2009

The American Economic Recovery and Reinvestment Plan 2009 signed into law on February 17, 2009 includes a number of provisions which directly impacts several areas related to your employee benefit programs, including a significant change to the Commuter Choice Mass-Transit Benefit.

Effective March 1, 2009, the maximum Commuter Choice Mass-Transit benefit will increase from \$120 per month to \$230 per month, making the maximum monthly benefit for Mass-Transit benefit equal to the maximum Parking benefit for the first time. The benefit limit increase is valid effective March 1, 2009 and ends December 31, 2010.

The Commuter Choice Mass-Transit benefit includes:

- Transportation by train, lightrail or by a public or subscription bus, or;
- Transportation by eligible vanpool. An eligible vanpool is defined as a vehicle transporting 7 or more adults, including the driver, for the majority of the commute trip.

Mass-transit expenses are not eligible during vacations or holidays and expenses incurred (paid) before or after participation are not eligible. Also, only the expenses of the employee are eligible; the Commuter Choice cannot be used to pay for the expenses of spouses and dependents. Also, other "commuting" costs, such as toll-fees and gas, are not eligible, except as part of the cost of an eligible vanpool.

What is the value of this change? The maximum benefit change from \$120 per month to \$230 per month can increase the tax savings for your employees up to \$500 per year and your company will save up to \$100 more per person per year in increased tax savings.

This will also make it much easier for those employees using a debit card for their commuter benefits to pay the entire cost of their monthly commuter pass in a single monthly transaction.

How to implement this change? We believe that most, if not all, of our clients will choose to adopt this benefit increase as soon as possible so we will be sending you updated enrollment materials as soon as possible. If you have any questions, please call or email us.