



# COMMUTER CHOICE

## Tax Savings for Commuters

Commuter Choice is an employee benefit plan sponsored by your employer to help you pay for certain parking and transportation expenses you incur to commute to work.

The Commuter Choice can save you 20% to 42% of the cost of your Commuting expenses.

Tax Savings Illustration	Before	After
Paycheck Total Earnings	\$3,000	\$3,000
Pre-Tax Commuter	\$0	-\$120
Taxable Earnings	\$3,000	\$2,880
Federal Taxes	-\$545	-\$515
Soc Sec/Medicare	-\$170	-\$163
State/Local	-\$227	-\$214
Net Paycheck	\$2,058	\$1,988
After-Tax Commuter	-\$120	\$0
Take Home Pay	\$1,938	\$1,988
<b>Monthly Tax Savings</b>		<b>\$50</b>
<b>Annual Tax Savings \$600</b>		

In this example, the Employee saves \$50 each month by using Commuter Choice to pay their \$120 monthly commuting expenses pre-tax.

**You can get 2 to 5 months of Commuter expenses FREE each year by paying less tax!**

When you participate in Commuter Choice, your contributions are taken off the top of your pay, before taxes are withheld. When you use the Commuter benefits, you are reimbursed tax-free which saves you money on your taxes and increases your take-home pay.

**Commuter Choice** offers two benefit options:

**Mass-Transit** You can set aside up to \$125 per month\* pre-tax to pay for transportation by train, light-rail or by a public or subscription bus or the costs of an eligible vanpool. An eligible vanpool transports 7 or more adults, including the driver, for the majority of the commute.

**Parking** You can set aside up to \$240 per month\* pre-tax to pay for your parking expenses at or near your primary, long-term business location, or parking at or near a “park and ride” or similar location if you use mass-transit.

\* The monthly contribution and eligible expense limits for each benefit are subject to annual cost of living adjustments. Limits shown are for 2012. For 2011, the limits were \$230 per month for both Mass-Transit and Parking.



### **Active Participant**

The Commuter Choice helps you pay the work-related commuting expenses that you incur while you are an “Active Participant” in your benefits. An “Active Participant” in a Commuter Choice benefit is an eligible employee who contributes at least \$1.00 per pay period for that benefit. The Mass-Transit and Parking benefit options require separate elections, separate payroll contributions and allow different expenses. Funds contributed to one benefit option cannot be transferred or used to pay for the other’s expense type.

### **Eligible Expenses**

Your personal work-related commuting expenses are eligible if they are incurred while you are an active participant in your Commuter benefits. An expense is incurred when you receive the services.

Commuter expenses during vacations or holidays are not eligible. However, parking expenses during your short-term vacation are eligible if required to “hold your spot.” Other examples of ineligible expenses include expenses paid for your spouse and dependents and the normal commuting expenses you pay to drive your personal vehicle to work, such as toll-fees and gasoline.

### **Submitting Claims**

To be reimbursed from your Commuter Benefit account(s), log into your account and create a claim. Print, sign and date claim form, attach your documentation and fax, scan and post or mail as indicated. “Documentation” of your Commuter expenses includes copies of transit passes, credit card statements and vanpool expense verifications. If you cannot provide receipts for parking because the parking lot or parking meter does not provide receipts, you must make a statement to that effect on the claim form. The expenses are subject to monthly limits of \$125\* for mass-transit and \$240\* for parking; amounts in excess of those amounts cannot be considered, reimbursed or carried forward. For example, if you pay \$260 per month for parking, you can only be reimbursed for \$240 and the “extra” \$20 will be ignored.

### **Claim Deadlines**

The deadline to submit your claims is 180-days after the date of the expense or 90-days after your employment or active participation ends; whichever comes first (is earliest). For example, if you paid for parking on May 1<sup>st</sup>, you must claim that expense by October 28<sup>th</sup> (180-days after May 1<sup>st</sup>). However, if you were to terminate participation on May 31<sup>st</sup>, you must make your claim for the May 1<sup>st</sup> expense by August 29<sup>th</sup> (90-days after May 31<sup>st</sup>). We recommend that you submit claims as soon as possible after each expense but at least every three months.



### **Balances Can Rollover**

The Commuter Choice allows you to carry over balances from month-to-month and year-to-year while you are an active, eligible employee who contributes at least \$1.00 per pay period for that specific Commuter Choice benefit, Mass-Transit or Parking.

### **“Use It or Lose It”**

It is important that you carefully estimate your elections. While Commuter Choice allows you to rollover your benefit account balances, if you cease to be an active participant, any funds remaining in your benefit account(s) after the claims deadline will be forfeited.

\* The monthly contribution and eligible expense limits for each benefit are subject to annual cost of living adjustments. Limits shown are for 2012. By Federal Law, the Mass-Transit expense reimbursement benefit is not available in all locations. Your employer will let you know if you live and work in a location eligible for the Mass-Transit reimbursement Program.