

## **TRANSPORTATION REIMBURSEMENT PROGRAM**

### **What is it?**

To help you save tax dollars, your employer may sponsor the Section 132 (f), Transportation Reimbursement Program. Participation allows you to save pre-tax dollars on your ongoing parking and commuting expenses. *Pre-tax* means that your mass transit and parking expenses will be deducted from your gross pay before federal and FICA taxes are calculated.

### **Who is eligible for this plan?**

Benefit eligible employees include those who incur parking and public transit community expenses in conjunction with travel to and from their local office.

### **What types of expenses apply under this benefit?**

Tax legislation allows pre-tax savings for the following:

- Parking expenses up to \$200.00 per month, incurred in the commute to your office location OR incurred at a public transit station.
- Public transportation or van pooling expenses up to \$105.00 per month.

### **How much money will I save in current income taxes?**

That depends on how much you pay for parking or mass transit and your federal tax bracket. Overall, your gross taxable income will be reduced by the amount you pay for transportation expenses, resulting in substantial savings on federal and Social Security taxes.

### **When can I enroll?**

Usually, a plan participant enrolls during open enrollment for employee benefit plans. Your employer may set up other times of the year for enrollment, since there is no specific timing required by Section 132 (f).

### **Can I stop participating in this Plan?**

Unlike eligible pre-tax deductions that are covered under Section 125 of the IRS code, (healthcare and dependent care) you may stop participating in this Plan at any time.

### **If I drop the Plan, can I re-enroll?**

This depends upon your individual plan requirements. But we recommend the following change in status (qualifying event) requirements.

- Change in worksite of employee for indefinite duration;
- Change in hours of employee for indefinite duration;
- Change in residence of employee; or
- Other changes in a commute that fall within the intent of qualified changes Under Section 132 (f) of the IRS code

**How do I get reimbursed?**

Like your Flexible Spending Account Program, you send either your receipts or an affidavit verifying your expenses to Peter Zappa & Associates, P.O. Box 2749, North Attleborough, MA 02763.

