

CBIZ

CBIZ Benefits &
Insurance Services



Section 132/Pre-Tax Commuter Expense Program

Employee Handbook

Valid for Enrollments on or After January 1, 2022



Do You Know?

Pre-Tax Commuter Expense Program

A Pre-Tax Commuter Expense Program is an employee funded commuter benefit in which you designate a portion of your salary before taxes to pay for eligible expenses (up to the IRS allowable monthly maximum).

Pre-Tax

Money under this program is deducted pre-tax and is excluded from your gross income; therefore, reduces your taxable income.

Eligible Expenses

An eligible expense in the form of qualified public transit, van pooling, or parking expenses. A complete list of eligible expenses is on page 4 of this handbook.

24/7 access

You have 24/7 access to your accounts through our new secure online portal. We also have a mobile application.

100% Control

You determine how much money you would like to contribute and how to use the expenses. Certain IRS rules apply.



Information Directory

DOCUMENT DESCRIPTION	DOCUMENT NAME	WHERE TO LOCATE
Account Registration and Participant Portal	This Employee Handbook	Set up access to your account online at https://myplans.cbiz.com . Select "Create your new username and password"
Eligibility Requirements	This Employee Handbook and Summary Plan Description	Once you log into your benefits account at https://myplans.cbiz.com : Tools & Support > Plan Summaries
Forms	Various Participant Forms	Once you log into your benefits account at https://myplans.cbiz.com : Tools & Support > Forms
Plan Details and Documents	This Employee Handbook and Summary Plan Description	Once you log into your benefits account at https://myplans.cbiz.com : Tools & Support > Plan Summaries



Pre-Tax Commuter Expense Program

About This Handbook

This Handbook is a brief description of the terms of the Pre-Tax Commuter Expense Program in common language designed to describe the highlights of the Plan, how it operates and how to receive the maximum advantage of the plan. It is not meant to replace the Plan Document or Summary Plan Description (SPD) which are on file with your Plan Administrator. If you would like a copy of either of these documents, please request one from your Human Resources (HR) Department. The Plan Document governs in the event of any discrepancy between these documents.

What is a Pre-Tax Commuter Expense Program?

A Pre-Tax Commuter Expense Program, also known as a Section 132 Plan (Plan), allows you to use pre-tax dollars to pay for your eligible expense in the form of qualified public transit, van pooling, or parking expenses. If you elect to participate by putting aside money from your paycheck, you will save Federal, State, Social Security and Medicare taxes on every dollar contributed to the Plan. Enrollment in the Plan will reduce your reportable income. Therefore your Social Security Benefits/Disability may be affected by your election; however, most will find that the tax savings far outweigh the potential negative impact.

Who can participate?

As an employee, you are eligible to participate in this Plan as of the first of the month following your date of hire. This Plan is only for reimbursement of your own commuting expenses, not those of your spouse or any other family members.

May I enroll in both Parking and Transportation plans?

Yes, as long as you have expenses that qualify under both Plans and as long as you do not exceed the Monthly Maximums for each account. Each account is tracked separately.

Why should I participate?

The Plan permits you to pay for eligible expenses with pre-tax dollars through salary reduction, rather than after-tax pay. Participation in this Plan allows you to pay less in taxes and have more spendable income. Below is an example of how you can save if you elect in these benefits.

Description	Without Commuter Program	With Commuter Program
Monthly Base Salary	\$3,000.00	\$3,000.00
Pre-Tax Transportation	(0.00)	(100.00)
Pre-Tax Parking	(0.00)	(150.00)
Adjusted Taxable Income	3,000.00	2,750.00
Federal Withholding*	(600.00)	(550.00)
State Withholding*	(150.00)	(137.50)
Social Security Tax*	(186.00)	(170.50)
Medicare	(43.50)	(39.88)
CA SDI	(36.00)	(33.00)
Subtotal	\$1,984.50	\$1,819.13
Expenses		
Pre-Tax Transportation	(100.00)	Paid by Plan
Pre-Tax Parking	(150.00)	Paid by Plan
Spendable Income	\$1,734.50	\$1,819.13

This is a savings of \$84.63 a month which equals a total savings of \$1,015.56 annually.

*Assumption of tax rates applied

For more specific information regarding how this Plan may benefit you, we encourage you to talk to your tax advisor.

Transit Plans

The Transit plans are similar to the Flexible Spending Account program to allow individuals to contribute on a pretax basis for the reimbursement of qualified transportation expenses incurred while commuting to and from work. The IRS sets a monthly disbursement limit for the transportation accounts, which may change from year to year.

- **Qualified Transportation Account – requires debit card use (no reimbursements permitted):** Qualified expenses include transit costs incurred for commuting to and from work including rail, bus, subway, uberPool, Lyft and ferry. Van Pooling expenses may qualify provided the van is primarily used as a commuting vehicle, and has seating capacity for at least 6 adults not including the driver.

Enrollment, Changes and Reimbursements

- **ENROLLMENT:** Enroll in the **Transportation Reimbursement Account** by completing and submitting an enrollment form to the Employer prior to the beginning of the month in which participation is to begin. The Employer will update payroll deductions and inform CBIZ Flex of the election.
- **CHANGES:** For the **Transportation Reimbursement Account** the participant may change his or her deduction amount as often as monthly. Changes must be submitted to the Employer prior to the beginning of the month.
- **CLAIMS:** *The IRS mandates that only a debit card can be used for Transit expenses.*
- **FUNDS AVAILABILITY:** Unused balances at the end of the plan year will be transferred into the new plan year to be used for expenses occurred in the new plan year.
- **EXCESS BALANCES:** If an excess balance begins to accumulate in the account, consider changing the deduction amount in order to exhaust any excess funds in the account. Excess balances will be forfeited after termination.

Frequently Asked Questions

- **How much can I have deducted from my paycheck?** The Internal Revenue Service regulates the amount that can be contributed to the Plan.
- **What happens to any money that is not used?** Any unused money will automatically be rolled over each month. It can be used for future claims, as long as it does not exceed the IRS monthly maximum. ****If, at the end of the plan year, you have funds remaining in your account, these monies will be transferred to the new plan year.**
- **Can the transit card be used to purchase transit passes at a grocery store or drug store?** No. These retailers have a merchant code for pharmacy or grocery and the card will reject the pass as an ineligible expense.
- **What happens to any funds when employment terminates?** When employment with current employer ends, access to current transit benefits account and any remaining funds on the official date of termination cease. Any unused commuter benefits funds will be returned to the company. Per IRS regulations, the employer can't refund unused funds back.

Parking Plans

The Parking plans are similar to the Flexible Spending Account program to allow individuals to contribute on a pretax basis for the reimbursement of qualified parking expenses incurred for parking expenses at a facility on or near work facilities. The IRS sets a monthly disbursement limit for the parking accounts, which may change from year to year.

- **Qualified Parking Account – may use debit card or claim reimbursement:** Qualifying expenses include parking to commute to work or parking at your place of work.

Enrollment, Changes and Reimbursements

- **ENROLLMENT:** Enroll in the **Parking Reimbursement Account** by completing and submitting an enrollment form to the Employer prior to the beginning of the month in which participation is to begin. The Employer will update payroll deductions and inform CBIZ Flex of the election.
- **CHANGES:** For the **Parking Reimbursement Account** the participant may change his or her deduction amount as often as monthly. Changes must be submitted to the Employer prior to the beginning of the month.
- **CLAIMS:** Participants are required to complete a claim form to submit for reimbursement. The required itemization should include the following information: name of the parking provider, date(s) of expenses incurred, and the amount charged. Claims may be submitted online at <https://myplans.cbiz.com> or via the "Myplans" mobile app.
- **FUNDS AVAILABILITY:** Unused balances at the end of the plan year will be transferred into the new plan year to be used for expenses occurred in the new plan year.
- **EXCESS BALANCES:** If an excess balance begins to accumulate in the account, consider changing the deduction amount in order to exhaust any excess funds in the account. Excess balances will be forfeited after termination.

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- **What is the deadline for submitting claims?** Your Employer establishes the time frame for submitting claims for reimbursement.
- **What happens to any funds when employment terminates?** When employment with current employer ends, the access to current transit benefits account and any remaining funds on the official date of termination cease. Any unused commuter benefits funds will be returned to the company. Per IRS regulations, the employer can't refund unused funds back.

How do I receive my reimbursement?

To request a reimbursement, you may submit a claim with your eligible Parking Expenses against the balance available in your account(s). A claim can be submitted electronically via our website at <https://myplans.cbiz.com> or via our mobile app. Search for "CBIZ" on the appropriate app store to download this free app. Once you have successfully registered your username and password on <https://myplans.cbiz.com> you may use this login for the My Plans Mobile App.

Please note the following:

- Parking Expenses cannot be reimbursed until the expense has been incurred. For example, expenses for the month of January cannot be reimbursed until January 1st has been incurred.
- You can only be reimbursed your current account balance. If you send in a claim for \$130 for expenses for January and you have \$100 deducted per month, we will reimburse \$100 once the January contributions are posted and the month has begun. The remaining \$30 of your claim will be reimbursed once additional contributions are posted to your account.

Get your reimbursement quicker by signing up for direct deposit! Direct deposit allows CBIZ to send your reimbursements directly to your bank account. Your payment will post within 2 business days from the date issued. If you do not enroll in direct deposit, a check will be mailed to your home address on file. You can enroll in Direct Deposit by logging into your account on <https://myplans.cbiz.com> or fill out the needed form with your HR department.

How long do I have to submit claims for reimbursement?

If your employment terminates mid-year, either voluntarily or involuntarily, your coverage in this plan will terminate as of that date. You will have 90 days to submit claims incurred while you were an active employee.

What If I overestimate my expenses?

If your reimbursement request was for *less* than your current account balance, the unused amounts will roll over and be available for future reimbursements. You may need to adjust your monthly deduction amount for the next coverage period in order to use up your surplus account balance. For example, if your monthly parking election (and anticipated monthly expense) is \$100, but you only incur \$75 worth of eligible parking expenses in January, you might want to change your election for February (prior to February 1st) to \$75 in order to use up the \$25 surplus from January. Then you may want to increase your election back to \$100 for March (prior to March 1st). At no time may you exceed the Monthly Maximums set forth in Code Section 132(f).

What if I underestimate my expense?

If your reimbursement request was for an amount that was *more* than your current account balance, the excess part of the reimbursement request will be carried over into the following month(s) to be paid out as your balance becomes adequate (subject to monthly maximums described above).