

A Commuter Flexible Savings Account (FSA) is a pre-tax benefit plan that allows employees to set aside money to pay for qualified work-related commuting expenses. Qualified expenses include parking and public transit, such as trains, buses, ferries, and vanpooling. Since the purpose of transportation benefits is to reduce congestion, conserve fuel resources and cut down on pollution, the benefits are limited to those types of transportation that will help to achieve that goal. Currently, coverage is limited to: Transit Passes, Vanpooling and Qualified Parking.

Employees can contribute pre-tax funds to a Commuter FSA through payroll deduction. There are two commuter benefits – **Transit** (rail, bus, ferries, vanpooling) and **Parking**. Individuals elect to participate and contribute to one or both of these accounts. Contributions to transit must be used on transit expenses and cannot be used for parking. Contributions to parking must be used for parking and cannot be used for transit expenses. The IRS sets monthly maximum contribution limit.

Funds are available until they are exhausted and are not tied to a specific plan year. Unused funds can be carried over to the next month.

Employees can update their contributions without a qualifying event. Varsity Brands participants can make these changes at any time.

Why should I enroll in a Commuter Benefits account?

This account is ideal if you expect to incur commuter expenses that won't be reimbursed by another plan. Money contributed to a Commuter Benefits account is free from federal and state taxes and remains tax-free when spent on eligible expenses. Using a commuter benefit allows you to pay for the commuter expense with pre-tax dollars.

Are commuter benefits worth it?

A benefit is only valuable if it's used. So, if your employer offers a pre-tax commuter benefit account and you currently take mass transit to work, or you have to option to take mass transit to work (and it's a viable option for your schedule), or you drive your personal vehicle to work and have to pay to park it near your office, or if you carpool, then participating in your company's commuter benefits plan could help you save money.

Are commuter benefits “use it or lose it”?

The IRS defines that under the “use it or lose it” rule, certain plans must require that unused contributions or benefits remaining at the end of the plan year must be “forfeited.” Because commuter benefits continue to roll over from month-to-month, and year-to-year and do not have a designated “plan year” or plan end date, this specific rule, as defined by the IRS, does not apply.

However, you should be aware that the IRS specifically outlines that any money left in a commuter account when an employee leaves the company, either by retirement, termination, or otherwise may no longer use their funds for expenses incurred after the date they leave the company. Any remaining funds in the account will be forfeited back to the employer and cannot be returned to the individual.

Can commuter benefits be refunded?

No. Once you contribute money to your commuter benefits account, you must submit eligible expenses for reimbursement in order to “get your money back” or use the contributed funds using your commuter debit card on eligible expenses. The IRS prohibits employers from refunding commuter benefit contributions.

How does a commuter benefits account work?

A commuter benefits account is an employer-sponsored benefit program that allows you to set aside pre-tax funds in separate accounts to pay for qualified mass transit and parking expenses associated with your commute to work.

It's a great way to put extra money in your pocket each month and make your commute more convenient and affordable. You may contribute to both your transit and parking account on a pre-tax basis to pay for transit and parking expenses, which means you end up paying less in taxes and taking home more of your paycheck. The current monthly limit is \$325 for your transit expenses and \$325 for your parking expenses.

What are the tax benefits of a commuter benefits account?

Contributions to a commuter benefits account are deducted from your paycheck on a pre-tax basis, reducing your taxable income. You can save an average of 30%* on your eligible transit and parking expenses.

*For illustrative purposes only. Savings calculations are based on a federal tax rate of 15%, state tax rate of 5%, and 7.65% FICA.

How much can I contribute to my commuter benefits account?

There are monthly limits set by the IRS for Commuter Benefits. Currently, transit contributions are limited to \$325 per month. Parking contributions are limited to \$325 per month. Any monthly expenses above these limits cannot be exempt from taxes and cannot be applied to future months.

Adjusting Contributions

You can make adjustments to your contribution, join, or terminate plan participation at any time.

How do I access my commuter benefits account funds?

You pay for the qualified transportation with your benefits debit card or you can pay out of pocket and then file a claim for reimbursement.

Do my unused Transit or Parking funds rollover from month to month or plan year to plan year?

Yes. However, there is currently a monthly benefit maximum of \$325 for Transit and \$325 for Parking.

Can I change my election for Transit or Parking at any time?

Yes. Visit Workday to submit a Change Benefits event. Step by step instructions can be found in Workday Help under Manage Your Benefits.

Do I need to re-elect each month?

No, your payroll election will continue until you change or cancel it for the remainder of the plan year.

Is there a maximum amount I can swipe my card for at one time?

The maximum you can swipe your card for is a total of \$325 each month for transit purchases and a total of \$325 each month for parking expenses, or the available balance in your account. The current monthly limit is designated by the IRS. The limit will apply to all debit card swipes for transit and parking.

Because commuter accounts allow you to change your election on a monthly basis, it is important to contribute only as much as you are going to use each month into your commuter account. If you ever find that your balance is higher than what you know you will be able to spend, it's good practice to reduce your monthly elections until you have spent down your additional funds, in order to not lose money.

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What is a Transit Account?

Transit Account is a pre-tax benefit account used to pay for public transit—including train, subway, light rail, bus, monorail and ferry—as part of your daily commute to work.

Qualified Mass Transit Expenses

Items that qualify as a mass transit expense include transit passes, tokens, fare cards, vouchers, or similar items entitling you to ride a mass transit vehicle to or from work. The mass transit vehicle may be publicly or privately operated and includes bus, rail, or ferry. Vans are also considered under this type of benefit if the van holds a minimum of seven, including the driver. Private taxis, Ubers, or Lyft transportation however is not considered part of this type of transit benefit unless the vehicle utilized meets the criteria of vanpooling.

Qualified Van-Pooling Expenses

Van-pooling is not to be confused with carpooling. Van-pooling requires a commuter highway vehicle with a seating capacity of at least 7 adults, including the driver. At least 80 percent of the vehicle mileage must be for transporting employees between their homes and workplace with employees occupying at least one-half of the vehicle's seats (not including the driver's seat).

Can commuter benefits be used for gas?

No, pre-tax commuter benefit contributions can't be used to pay for gas for an employee's personal car.

Can commuter benefits be used for taxis, Uber, or Lyft?

No, pre-tax commuter benefit accounts can't be used to reimburse for taxis or ride hailing services like Uber and Lyft. This include the rideshare option through ride hailing services; it is not eligible. However, van-pooling is eligible.

Can commuter benefits be used for tolls?

No, pre-tax commuter benefit accounts can't reimburse for bridge and tunnel tolls or passes like Fast Pass or E-Z Passes.

What expenses are not included in the Commuter benefit?

Carpooling, mileage, tolls, Uber and Lyft ride-share, and fuel. Also, business travel and expenses previously reimbursed by your employer.

Can the Commuter benefit be used for my family?

No. The Commuter benefit is available only for the employee to use for either public transportation or parking expenses associated with getting to and from the employee's workplace.

Can I submit a manual claim for Transit?

Yes. Manual claims or debit card transactions are allowed for Parking expenses.

What is a Commuter Parking Account?

A Commuter Parking Account is a pre-tax benefit account used to pay for parking as part of your daily commute to work, including parking at or near your place of work or at a location near where you take public transportation to get to work. Eligible parking related expenses include parking meters, and parking lots.

Qualified Parking Expenses

With a commuter benefits account, you can be reimbursed for parking expenses incurred at or near your work location or a location from which you continue your commute to work by car pool, van-pool or mass transit. Out-of-pocket parking fees for parking meters, garages and lots qualify. Parking at or near your home is not an eligible expense even if the employee works remotely. .

Can I submit a manual claim for Parking?

Yes. Manual claims or debit card transactions are allowed for Parking expenses.

Are receipts required when submitting claims for parking reimbursement?

Yes.