

TRANSIT PROGRAM



EMPLOYEE KIT FOR TRANSPORTATION PROGRAMS



SASI's transportation program allows employees to pay for certain qualified transportation expenses on a pre-tax basis. Enroll today to enjoy tax savings while paying for your transportation and parking expenses for your every day commute!

TRANSPORTATION PROGRAM FACTS

- ✓ Qualifying expenses must be connected with travel between an employee's residence and the place of employment.

- ✓ The transportation program has two parts:

- Parking
- Transit Passes and Commuter Highway Vehicle/Van Pooling

- ✓ A participating employee saves federal income and FICA taxes on each dollar put into the transportation plan. If the employee is in the 15% income tax bracket, an employee deferral of \$100 saves the employee approximately \$15 in income taxes and another \$7.65 in FICA taxes. Employees with higher income can save even more income taxes, but the FICA tax savings drop to 1.45% for income in excess of the taxable wage based in effect for the tax year. In addition, employees can save state and local taxes, depending on the tax laws in their areas.

- ✓ Congress has specified dollar limits that an employee can claim in each category. These limits are adjusted to reflect the cost of living, and the IRS announces the adjusted limits before the beginning of each year.



- An employee can receive tax-free reimbursement up to a maximum of \$340.00 per month for parking expenses.

- An employee can receive tax-free reimbursement up to a maximum of \$340.00 per

month for transit passes and van pooling.

- ✓ Employees may use both the parking and mass transit/van pooling programs simultaneously.
- ✓ If an employee does not incur and file claims for all funds deferred in a given month or year, the employee can submit claims for those funds in the following months. This type of plan does not have the "use it or lose it" scenario associated with section 125 or cafeteria plans. The employer cannot return funds to an employee, however, and if the employee terminates employment, any unused amount is forfeited.

- ✓ All employees may participate in this program except Partners in a partnership, Sole Proprietors, and 2%+ Shareholders in a Sub-Chapter S corporation.



MASS TRANSIT AND VAN POOLING



Do you pay for mass transit to get to and from work?

Section 132(f) also allows an employer-sponsored transportation program to provide a tax break on the first \$340.00 per month of your transit expenses to travel between your residence and your worksite. This amount is reduced by any reimbursement that the employee receives from another source.

How does this program work?

This program allows a participating employee to defer part of each paycheck to cover transit expenses. The employee then submits a claim for reimbursement of these expenses. The amounts deducted from payroll for these expenses are deducted on a pre-tax basis. Federal income taxes and FICA taxes are calculated on the reduced compensation, which results in tax savings for the employee. The employee may also save state and local income taxes, depending on state and local laws.

Lyft Now Covered Under Transportation Plan Benefits*

(*exclusions apply)

Lyft Line matches you with others traveling the same way, letting you split the cost of the ride. When you use your prepaid transit commuter benefits card, you can save up to 40% on rides pre-tax. Users CANNOT submit claims for Lyft Line rides - YOU MUST USE THE CARD. That's the only way for Lyft and SASI to verify that users are dispatched a compliant vehicle. Regular Lyft rides do not qualify.

Qualified Expenses

- ✓ Purchase of tickets or transit passes (meaning pass, token, farecard, voucher, or similar item entitling a person to transportation on a mass transit system.)



Other Mass Transit Program Info



If the employer makes bulk purchases of transit passes for distribution to its employees, the employees do not have to prove that they incurred the expense.

If the employee purchases the pass directly, then the employee must fill out a claim form to get reimbursed. If the transit system does not provide any receipt for the purchase, the employee must certify that the claim form is accurate.



This type of program can also include qualified highway vehicle



transportation. This is commonly known as "van pooling." To qualify for reimbursement under this program, the vehicle must hold at least 6 adults, not counting the driver, and must be operated at least 80% of the time for this purpose.

LYFT LINE

Lyft Line available in the following cities:

Atlanta, Austin, Boston, Chicago, Denver, Las Vegas, Miami, Nashville, Philadelphia, Portland, San Diego, San Francisco, Silicon Valley, Seattle, Washington D.C., as well as New Jersey and New York.



Parking Program

Parking Program

Do you pay for parking while you work?

Section 132(f) of the Internal Revenue Code allows an employer to sponsor a transportation program that allows you a tax break on the first \$340.00 per month of your parking expenses that you incur while you work. This amount is reduced by any reimbursement that the employee receives from another source.



How does the parking program work?

A parking program allows a participating employee to defer part of each paycheck to cover parking expenses. The employee then submits a claim for reimbursement of parking expenses. The amounts deducted from payroll for parking expenses are deducted on a pre-tax basis. Federal income taxes and FICA taxes are calculated on the reduced compensation, which results in tax savings for the employee. The employee may also save state and local income taxes, depending on state and local laws.

What parking expenses qualify?



To qualify for this type of program, the employee must incur the expense for parking on or near the employer's premises. The employee can also incur these expenses for parking on or near a location from which the employee commutes to work by mass transit facilities, in a commuter vehicle, or by carpool.

Eligible Expenses (Mass Transit, Vanpool, Parking)	
Eligible Expenses	Ineligible Expenses
✓ Bus	✗ Carpool
✓ Rail	✗ Telecommute
✓ Subway	✗ Taxis
✓ Ferry	✗ Tolls
✓ Shuttle Bus	✗ Fuel/Gas
✓ Vanpool	Contributions are flexible and can be changed by the participant on a monthly basis. Unlike a traditional FSA, unused Transit and Parking Contributions rollover month to month so long as you remain an active employee.
✓ Parking (near office or transit station)	



SASI

1720 W Florist Ave, Suite 250

Glendale, WI 53209

Phone: (800) 752-3539, Fax: (414) 225-4599

www.sasiplans.com