

Transportation Reimbursement

Enrollment Information

Save 25-40% on your eligible expenses!

*Save money on your work-related parking and mass transit expenses
and put more money in your pocket.*

SAVE MONEY ON:

- * **Daily Parking**
- * **Bus Tickets**
- * **Ferry**
- * **Light Rail**
- * **Metered Parking**
- * **Bus Passes**

CONTACT US

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REIMBURSEMENT BENEFIT VS. CONVERSION BENEFIT

CONVERSION BENEFIT

A Section 132 Conversion Benefit works much like your Section 125 Premium Only Plan. The Conversion Benefit allows you to use pretax dollars to pay for transportation passes or on-site parking. For on-site parking, your employer must provide on-site parking and pay the vendor directly, and your portion of the cost will be deducted pretax through a salary reduction. For transit passes, your employer must purchase the transportation pass on your behalf and your portion of the cost will be deducted pretax through a salary reduction.

If you are purchasing off-site parking or transit passes on your own behalf you will need to sign up for a Reimbursement Benefit.

REIMBURSEMENT BENEFIT

If you pay for parking off-site, use metered parking, or purchase transportation passes on your own then you will want to take advantage of the Reimbursement Benefit. For this benefit, you must make an annual election and submit claims to receive reimbursements. Please refer to the enrollment form to see which Reimbursement Benefits your employer offers.

HOW DOES IT WORK?

Estimate your expenses for the **Plan Year** and enroll in the Section 132 benefit(s) for that amount.

Here are some things to keep in mind:

1. The money deducted from your paycheck is taken pre-tax; therefore, you don't pay FICA (7.65%), Federal Income Tax (10-35%), or state income tax.
2. You are the only person covered under this benefit. Parking and mass transit costs incurred by your spouse or dependents are not reimbursable.
3. The money in one benefit cannot be transferred to another benefit.
4. You may only claim expenses with service dates that fall within the plan year or your eligibility period.

SOME BASICS ABOUT ENROLLMENT

Enrollment is simple. You can enroll in these benefits during **Open Enrollment** which is the period of time before the start of each plan year.

1. Your election amount will be deducted evenly out of each paycheck during the plan year. Refer to the enrollment form for the current plan limits.
2. Once enrolled, we will send you a confirmation letter with general plan information, a claim form, and instructions for accessing your online benefit.
3. There will be a **Claims Run Out Period** after the end of the plan year in which to submit claims incurred during the prior plan year. The plan year will close at the end of the run out period and no further claims will be processed.

CHANGING YOUR ANNUAL ELECTION

Once you are enrolled, your employer may permit changes to your annual election mid-year. Your employer may also permit you to join or stop your Section 132 benefit. Please refer to your Summary Plan Description to determine whether your employer permits mid-year changes.

REIMBURSEMENTS

Getting a reimbursement is simple; all you need is a claim form and documentation indicating the date of service(s), the cost, and the type(s) of expense you are claiming. The date of service must be within the current plan year or your eligibility period.

Let's take a look at how you get reimbursed:

1. Complete and sign a claim form and attach your documentation. Do not submit copies of cancelled checks, credit or debit card receipts.
2. Fax or mail the claims to Flex-Plan. The contact information is located on the claim form.
3. Your claim will be processed within two full business days and a reimbursement will be issued according to your company's reimbursement schedule. Specific information regarding your reimbursement schedule will be sent with the enrollment confirmation.

ONLINE BENEFIT ACCESS

View balance and other account information through our Website www.flex-plan.com. Select any of the links labeled 'Participant' which will direct you to the participant information page. From here you can access your account by selecting 'Manage My Account'. If you are new to the Website you will be required to register.

To register for online account access you will be requested to provide the following information:

- Last Name, First Initial
- E-mail Address (*E-mail addresses are required to access your account on-line, if you have not provided an e-mail address to Flex-Plan you must do so in writing prior to registering for account access.*)
- 3 Letter Company Code (specific to each employer)
- Choose a User Name
- Date of Birth

Do not forget to review and accept the "Terms and Conditions." Shortly after registering for online access you will receive an e-mail confirmation with a temporary password. You can then change your password to something that is easy to remember.

PARKING REIMBURSEMENT BENEFIT

The Parking Reimbursement Benefit enables you to pay for your work-related parking costs at or near your employer's business premises. This benefit will also cover the parking costs incurred at a location from which you commute to work using mass transit.

WHAT'S COVERED

There are several types of parking expenses that can be reimbursed by this benefit. These include:

- Monthly or daily parking
- Metered parking
- Parking at a location from which you use mass transit

LIMITS

The IRS sets the Parking Reimbursement limit each year. Refer to the enrollment form for the current plan limits. You can only be reimbursed up to the monthly limit for every month of service that you claim.

NOT COVERED

Certain types of parking expenses will not be reimbursed by the Parking Reimbursement Benefit. These include:

- Parking for business meetings
- Parking that is reimbursed by the company
- Parking costs already deducted from your paycheck

DOCUMENTATION

Parking receipts can come in many shapes and forms. Your documentation for a parking claim must include a receipt or bill showing the date of service and the cost. For monthly parking, a copy of the monthly contract or bill will suffice.

METERED PARKING

Metered parking does not typically provide a receipt, so please take the following steps to ensure proper reimbursement. Create an itemized list indicating the dates of service and the cost for parking. You will need to certify your expenses by signing the claim form twice.

SAVINGS

Participating in a Parking Reimbursement Benefit can provide some substantial tax savings.

The following examples highlight the tax savings for someone who participates in a pre-tax parking benefit.

Without Parking Benefit

35,000	Gross Pay
<u>-11,428</u>	Taxes @ 32.65%
23,572	
<u>-2,340</u>	Parking Costs
21,232	Net Pay

\$1,769 Monthly Pay

With Parking Benefit

35,000	Gross Pay
<u>-2,340</u>	Parking Costs
32,660	
<u>-10,663</u>	Taxes @ 32.65%
21,997	Net Pay

\$1,833 Monthly Pay

This employee would save \$64/month using the Parking Benefit — that's a savings of \$768.00/year.

TRANSIT BENEFIT

The Transit Benefit enables you to pay for mass transit expenses associated with your commute to and from work.

WHAT'S COVERED

There are several types of mass transit expenses that can be reimbursed by this benefit. These include:

- Bus vouchers, passes, and tokens
- Ferry passes
- Van-pooling
- Commuter Rail

LIMITS

The IRS sets the Transit Reimbursement limit each year. Refer to the enrollment form for the current plan limits. You can only be reimbursed up to the monthly limit for every month of service that you claim.

NOT COVERED

Certain types of transit expenses will not be reimbursed by the Transit Benefit. These include:

- Transit costs reimbursed by the company
- Transit costs already deducted from your paycheck
- Toll fares

DOCUMENTATION

Transit receipts can come in many shapes and forms. Your documentation for a transit claim must include a receipt or bill showing the date of service and the cost.

NO RECEIPTS?

Some mass transit facilities do not normally provide a receipt for the expense. If a receipt is not provided in the normal course of business, then you will need to certify your expenses by signing the claim form twice.

SAVINGS

Participating in a pre-tax reimbursement benefit can add up to some substantial tax savings.

The following examples highlight the tax savings for someone who participates in a pre-tax transit benefit.

Without Transit Benefit

35,000	Gross Pay
<u>-11,428</u>	Taxes @ 32.65%
23,572	

<u>-1,200</u>	Transit Costs
22,372	Net Pay

\$1,864 Monthly Pay

With Transit Benefit

35,000	Gross Pay
<u>-1,200</u>	Transit Costs
33,800	

<u>-11,038</u>	Taxes @ 32.65%
22,764	Net Pay

\$1,897 Monthly Pay

This employee would save \$33/month using the Transit Benefit — that's a savings of \$396.00/year.