

## QUALIFIED TRANSPORTATION PLAN

A Qualified Transportation Plan is a benefit program to help employees reduce the cost of commuting to and from work. Section 132(f) of the Internal Revenue Code permits employees to pay for commuter vehicle expenses, transit passes, and qualified parking expenses on a tax-favored (pretax) basis.

Two separate “spending accounts” are available:



- **Commuter’s Spending Account** – Transportation cost associated with a commuter highway vehicle for travel between the employee’s residence and place of employment, and any transit pass can be pre-taxed.
- **Parking Spending Account** – Qualified Parking Expenses can be pre-taxed.

### How Commuter Spending Accounts Work

Employees may establish a spending account to reimburse predictable expenses incurred for out-of-pocket commuter and transit expenses. Once they have determined their annual predictable expenses for the Plan Year, a portion of that amount may be paid for with pre-tax pay, withheld on a pre-tax basis from each paycheck, deposited to the spending account which has been elected. The maximum pretax deferral amount allowed is \$280.00 per month for the Commuter and Transit Spending Account. (This amount will be adjusted for inflation in the future.)

Employees can use the debit card which we provide to them or complete a claim form and submit it along with their paid bills to the designated claims administration representative. Once the claim is received, it will be processed for reimbursement.

Employees can change their election amount at any time during the Plan Year. In addition, unused balances at the end of the year can be carried over to the next Plan Year. However, any unused balance upon termination of employment could be forfeited.

Expenses, which may be included, are “Transit Passes”, which means any pass, token, fare card, voucher or any other item that entitles employees to use mass transit for the purpose of traveling to and from work. “Commuter Highway Vehicle” expenses may also be included for highway vehicles with seating capacity for at least 6 adults (not including the driver) and at least 80 percent of the vehicle mileage must be for purposes of transporting employees in connection with travel between their residences and place of employment. And, expenses for trips during which the number of employees transported for such purposes is at least half of the adult seating capacity for such vehicle (not including the driver).

## How Parking Spending Accounts Work

Employees may establish a spending account to reimburse predictable expenses incurred for qualified parking expenses. Once they have determined their annual predictable expenses for the Plan Year, a portion of that amount may be paid for with pre-tax pay, withheld on a pre-tax basis from each paycheck, deposited to the spending account which was elected. The maximum pretax deferral amount allowed is \$280.00 per month for the Parking Spending Account. (This amount will be adjusted for inflation in the future.)

Employees can use the debit card which we provide to them or complete a claim form and submit it along with their paid bills to The Harrison Group, Inc. Once the claim is received, it will be processed for reimbursement.

Employees can change their election amount at any time during the Plan Year. In addition, unused balances at the end of the year can be carried over to the next Plan Year. However, any unused balance upon termination of employment could be forfeited.

Expenses that may be included are Parking Expenses which means parking lots on or near the employee's place of employment or on or near a location from which they commute to work by mass transit, commuter highway vehicle, or by carpool. Such term shall not include any parking on or near property used by the employee for residential purposes.

For more information, please contact Richard Miller, Jr., at The Harrison Group, Inc via email at [rmiller@theharrisingrouponline.com](mailto:rmiller@theharrisingrouponline.com) , or phone (610) 853-9075.

Or visit our website at : [www.theharrisingrouponline.com](http://www.theharrisingrouponline.com)