



# Employee FAQ:

## Commuter Accounts

### What is a commuter account?

A commuter account is an employer-sponsored benefit program that allows you to set aside pre-tax (and in some cases if your employer allows, post-tax) funds in separate accounts to pay for qualified mass transit and parking expenses associated with your commute to work. **This benefit is now mandated by the state of New Jersey for employers with 20 or more employees.**

### Why should I participate?

Contributions to a commuter 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.

### What is a qualified mass transit expense?

Qualified expenses 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.

### What qualifies as van-pooling?

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).

### What is a qualified parking expense?

Get 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.

### Can I use my commuter account for commuting expenses like tolls and gas?

No. Benefits may not be used for tolls, gas, mileage or other personal commuting expenses.

### Whose commuter expenses are covered?

Qualified expenses include those incurred for your transportation between your residence and worksite. Expenses for your spouse or dependents are not eligible.

### Is there a limit to how much I can contribute or spend each month?

Yes. Monthly limits are set by the IRS. Currently, contributions as well as monthly spending for transit and van-pooling are limited to \$270 per month. Parking contributions as well as monthly spending are limited to \$270 per month. Any monthly expenses above these limits cannot be exempt from taxes and cannot be applied to future months.

### How does it work?

You authorize your employer to deduct a pre-tax amount for parking and/or van-pooling/transit from each paycheck, up to the IRS limits stated above. You then pay for the qualified transportation with your benefits debit card.

### Can I change my election?

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

### What happens if I don't use all my funds at the end of the plan year?

The money left in your account may be carried over into the next plan year, if you continue to participate in the plan.

### Do I need to keep my receipts?

Yes. A valid receipt should have the merchant name, date, amount of expense, and a description of the purchase for a transportation pass or parking. If you are not given a receipt, a signed claim form will be acceptable showing the amount of the expense that you incurred for that time period.

### What is the time limit for filing a claim?

You must submit your transit or parking claim for reimbursement within 180 days from the last day of the benefit month during which the expense was incurred.

For more information, please contact [sales@oca125.com](mailto:sales@oca125.com)