

Parking & Transit Accounts

Qualified
Transportation
Benefits

We want you to knowSM



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Qualified Transportation Benefits

A Qualified Transportation Benefit (QTB) Reimbursement Account allows you to direct a part of your pay, on a pretax basis, into a special account(s) that can be used to reimburse you for certain work-related transportation expenses. **There are two types of QTB accounts:**

Parking Account: A Parking Account allows you to receive reimbursement for work-related parking expenses. Eligible expenses include parking costs incurred at or near your worksite, or a facility from which you commute to work by carpool, commuter highway vehicle, mass transit facilities, transportation provided by a person in the business of transporting persons for compensation or hire, or by any other means.

Transit Account: A Transit Account allows you to receive reimbursement for expenses incurred traveling to and from work. Eligible expenses include costs for mass transit, such as subway, train, bus and vanpool costs. A van is generally considered a commuter vehicle if it seats at least six adults (not including the driver), at least 80 percent of the vehicle's mileage is used to transport employees to and from their place of employment, and in which at least half of the adult seating capacity is occupied by employees.

A "Transit Pass" is any pass, token, fare card, voucher or similar item entitling a person to transportation (or transportation at a reduced price) on mass transit facilities (publicly owned or not), or provided by any person in the business of transporting persons for compensation or hire, in a commuter vehicle as indicated above. Because this money goes into your transportation account before federal income or Social Security taxes are withheld, you pay less in taxes and, ultimately, have more disposable income. In most cases, your money is exempt from state and local taxes as well. (Check with your tax advisor to find out whether this tax exemption applies in your state.)

How the Account Works

You decide whether or not you want to participate in a QTB reimbursement account(s). Once you've made that decision, you then estimate the amount of eligible expenses you are likely to have during the year and decide how much of your salary you want to set aside to help pay for them. The amount you elect will be automatically deducted from your paychecks during the year and credited to your account. Once you've paid for your travel and/or parking expenses, you may be reimbursed from your transportation account with tax-free money.

Current Rules

In June 1998, Section 132 of the Internal Revenue Code was amended to permit employers to offer their employees qualified transportation benefits (QTB) on a pretax basis.

Federal regulations limit the amount you can be reimbursed under a QTB account. These amounts may be indexed for inflation in the future. You can elect to participate in one or both of these accounts and receive up to the maximum monthly allowable for each account. You cannot use funds contributed to a parking account to reimburse yourself for transit expenses, and vice versa. Any unused contributions you make to the plan will be carried over to your account from month to month and year to year. You will never forfeit this money unless you terminate employment and do not submit eligible expenses incurred prior to your termination date for any balance remaining. You are allowed one year from your termination date to submit an expense incurred during your employment.

Reimbursement From Your Account

To be reimbursed for a parking or transit expense, you simply pay for the expense then submit a QTB Reimbursement Request form along with a receipt for the incurred expense (payment frequency is determined by your employer). You will receive reimbursement for the expense provided you have sufficient funds in your account to cover the expense, and provided prepaid vouchers may or may not be available for distribution to employees. Consult with your employer for verification. If your account does not have sufficient funds to cover the submitted expense, you will receive a reimbursement for the amount available in your account. Any balance will be pended and future reimbursements will be made for that month's expenses as additional contributions are applied to your account. Claims will be paid to the monthly allowable maximum for each. Any claim amount over the monthly maximum will be denied.

How to Enroll

If you decide to enroll in a QTB Reimbursement Account, your employer will provide you with the necessary enrollment procedures. Only those expenses you incur on or after the effective date of your enrollment in this plan will be eligible for reimbursement.

Submitting Your Claim

- A completed Qualified Transportation Benefit claim form is required for each claim submission.
- Do not submit claims for your dependents. Reimbursement eligibility is limited to enrolled members.
- Documentation can include: used transit passes/vouchers, copies of unused transit passes/vouchers to use for future services, and parking receipts.
- Metered parking expenses do not require documentation and may be reimbursed using the submitted claim form.
- Expenses must be separated and listed by calendar month.
- For additional information, visit our website for a hot link to IRS Publication 535: www.aetna.com/fsa.

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