

What are Section 132 Transportation Plans?

Section 132 Transportation Plans are employer-sponsored benefits that allow you to set aside pre-tax earnings from your paycheck to pay for work-related Mass Transit and Parking related expenses.

Why should I participate?

Because you will save 25-30% on these types of expenses! How? The savings comes from avoiding paying any Federal and FICA taxes on your plan contributions. Additionally, your plan contributions may be excludable from state and local taxes.

How do these plans work?

The Transportation Plans are similar to the pre-tax Flexible Spending Accounts available for medical expenses and dependent care. One important difference, however, is the transportation benefit does not include a “use it or lose it penalty”. Any unused funds will carry forward to the next plan year in which you are an active participant.

Which expenses are qualified under Section 132?

Your share of expenses for commuting to and from work, reimbursable up to the monthly statutory or plan limit for:

Parking

1. Parking your vehicle in a facility that is near your place of work
2. Parking at a location from where you commute to work (e.g., the cost of parking in a lot near a train/bus station so you can continue your commute to work)

Mass Transit

Expenses include costs for any pass, token, fare card, voucher, or other item that entitles you to use mass transit for the purpose of traveling to or from work. Examples include: Mass transit (bus, subway, train, light rail, monorail, or ferry); Vanpool costs and eligible mass transit can be a public system, or a company/individual who is in the business of transporting people in a “commuter highway vehicle.” The vehicle must have seating capacity for six or more adults (not including the driver), and at least 80% of its mileage must be from transporting employees to and from their place of work. Additionally, the vehicle must be carrying at least three passengers (not including the driver).

What expenses are NOT reimbursable?

- Non-work related Transit expenses
- Expenses reimbursed by your employer
- Bridge and road tolls
- Carpool expenses
- Parking and transportation expenses for your spouse or dependents
- Gas/fuel expenses

How much can I set aside with pre-tax dollars?

Maximum Amounts:

Mass Transit \$260/month

Parking \$260/month

*Rates are subject to change consistent with IRS Section 132(f) guidelines.

How do I become a participant?

First, estimate your monthly out-of-pocket parking and/or transportation expenses that allow you to get to and from work. By completing an enrollment form, you'll authorize your employer to make pre-tax deductions from each paycheck and have them credited to your Parking and/or Mass Transit account(s). You may then use these funds to be reimbursed for qualified expenses.

How do I request a reimbursement?

Pay for the expense with your own funds and then submit an online claim at my.nbsbenefits.com.