



## Commuter Benefit Plan FAQs: General

**(1) What is a Commuter Benefit Plan (CBP)?**

A CBP allows an employee to set aside payroll deductions taken on a tax-free basis in separate CBP Accounts to pay for qualified workplace mass transit and parking expenses. Participants will save on federal taxes, state taxes (in most states) and FICA.

**(2) Are highway tolls, commuting mileage, taxicab fares and fuel eligible workplace commuting expenses?**

No. Only qualified workplace mass transit and parking expenses are eligible.

**(3) Can I use my CBP Account to pay for business or personal travel expenses?**

No. Only qualified expenses for workplace mass transit and parking are eligible.

**(4) Can money in a Parking Account be used for mass transit expenses and vice versa?**

No. Money directed to one type of account can be used only for expenses relating to that account. This is true even if all the money in one account is not used and the other account runs short.

**(5) What happens if I do not use all the money deposited into my CBP Account in a given plan month?**

Excess balances at the end of a plan month will be carried over to the subsequent plan month as long as you continue to be eligible to participate. You may adjust your monthly plan election(s) to avoid having an excess balance in a CBP Account.

**(6) Who is responsible for determining eligibility of expenses?**

Eligibility of expenses is dictated by the IRS and those guidelines are used by Benefit Resource, Inc. The services of an attorney are utilized if an additional opinion is needed or research is required to clarify the eligibility of an expense.

**(7) Can I stop contributing to a CBP Account?**

You can elect to stop contributing to your CBP Account (that is, to make a \$0 election). If you are still eligible to participate, your account balance will continue to be available for use until funds are exhausted or your account is closed.

**(8) What happens if I close my account?**

Once an account is closed, it can no longer be used. Details regarding any remaining funds are outlined in your *Plan Specifications*.

**(9) Once an election is made, can I change it?**

Certain situations can arise which allow you to change an election. These situations include:

- a. Change in work schedule
- b. Change in residence or worksite
- c. Change in monthly workplace commuting expenses

**(10) Since I do not pay Social Security taxes on the money put into these accounts, will my Social Security benefits be lower when I receive them?**

If you contribute over a long period of time, your contributions to a CBP Account will reduce your Social Security benefit by a minimal amount. However, the tax savings with a CBP Account should more than offset the slight reduction in Social Security benefits in future years.

**(11) Am I required to include any special reporting on my tax return (1040 Form) regarding contributions to the CBP?**

Information about a CBP Account does not need to be reported for income tax purposes. The total earnings reported on your W-2 form will exclude any tax-free CBP payroll deductions.