# Commuter Benefit Plan 2007

### For Pre-Tax Mass Transit & Parking Expenses





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## SAMPLE From Trust Administrators, Inc. Commuter Benefit Plan - Employee Summary

Plan Year: Start: January 1, 2007 End: December 31, 2007

#### **HOW THE PLAN WORKS**

The Commuter Benefit Plan (CBP) allows you to use untaxed salary to pay for your work related mass transit and parking expenses - your commutation expenses to and from work.

You save on federal, state and social security payroll taxes. We estimate employees will save about \$200 a year on mass transit expenses and \$600 on parking expenses. The higher your tax bracket, the more you will save. See Examples at page 2. Only a few states do not allow state income savings from a CBP; California, New York, Illinois and Georgia allow the tax savings.

Congress created this plan to encourage public transit and carpooling. Below are the simple rules for MASS TRANSIT and PARKING benefits. You may enroll in one or both accounts as needed. There are no extra forms to complete when filing your individual tax return.

#### MASS TRANSIT BENEFIT FOR 2007 CALENDAR YEAR

You may deduct on a pre-tax basis up to \$110 per month (\$1,320 per calendar year) to pay your mass transit and vanpool expenses when traveling to or from work. Each calendar year the amount is adjusted for inflation.

**Mass Transit includes:** Trains, buses, subways, ferries and vanpools (see definition below). **Ineligible Expenses:** Bicycling, walking, roller blading, tolls and carpools that do not meet the vanpool definition. Also, spouse's transit expenses may not be included with your CBP.

- •A vanpool or "commuter highway vehicle" must have a seating capacity of at least 6 adults (not including the driver) and at least 80% of the mileage must be used for transporting employees between their homes and places of employment. For these commuting trips, the number of employees transported must be at least one-half of the adult seating capacity of the vehicle, excluding the driver. Carpools that do not satisfy the vanpool definition noted above are not eligible for the Program.
- •The term "transit pass" means any pass, token, farecard, voucher or similar item entitling a person to use mass transit (whether or not publicly owned) or provided by a person in the business of transporting persons in a vehicle meeting the commuter highway vehicle definition.

#### PARKING BENEFIT FOR 2007 CALENDAR YEAR

You may deduct up to \$215 each month (\$2,580 per calendar year) pre-tax to pay your parking expenses incurred at or near the company worksite or to a location from which you commute to work by carpool, vanpool or mass transit. According to IRS regulations, if a receipt is not provided in the ordinary course of business (e.g. parking at meters or at a lot requiring you to place money in a slot), then receipts are not required if you certify the type and amount of expenses incurred - use TAI's special form, "Parking Without Receipt," to satisfy this rule. These forms are available from TAI's website or your Human Resources Department.

Ineligible Expenses: Bridge tolls, gasoline, parking at your residence or spouse's parking expenses.

# SAMPLE FROM TRUST ADMINISTRATORS, INC. COMMUTER BENEFIT PLAN - EMPLOYEE SUMMARY

Plan Year: Start: January 1, 2007 End: December 31, 2007

#### MASS TRANSIT & PARKING BENEFITS FROM MORE THAN ONE EMPLOYER

Some employees have two or more jobs. Each employer may establish a CBP with employees electing to reduce their compensation up to the federal limits outlined in this Employee Summary.

#### PLANNING YOUR EXPENSES & ENROLLMENT

Estimate your average monthly commuter expenses for the Plan Year indicated above.

Using the CBP's Enrollment Form, indicate the amount you want deducted for the year and return it to Human Resources. The amount elected will be deducted evenly each pay period throughout the year.

#### CHANGING YOUR CONTRIBUTIONS - MODIFICATIONS - CARRY-OVER CONTRIBUTIONS

You may enroll, disenroll or modify your contributions at any time by notifying Payroll or Human Resources. You do not need a life event or status change like a Flex-Plan. However, so the administration does not become difficult, please try to minimize those changes and plan carefully.

A CBP does not have a "use-it or lose-it" rule like a Flex-Plan.

There is no carry-over of unclaimed contributions. Instead, your funds are returned to you as taxable income after the grace period (see below). Remember, you may change your contributions at any time, but only on a prospective basis (going forward), not retroactive.

If your commuter expenses do not change month to month (e.g. you purchase a monthly transit pass or park at a lot at the same rate each month), modifications should not be necessary.

#### VIEW YOUR ACCOUNTS ONLINE

Go to: www.trustadmin.com • Click Account Lookup. Enter your Social Security Number.

#### ONLINE ACCOUNT LOOK-UP

"ACCESS" NUMBER: To Be Assigned PASSWORD: To Be Assigned

#### EXAMPLES OF EMPLOYEE SAVINGS

Example 1	With Plan	No Plan	Example 2	With Plan	No Plan
Employee Income	\$32,500.00	\$32,500.00	Family Income	\$45,000.00	\$45,000.00
Transit [\$60/Mo.]	- <u>720.00</u>	- <u>0.00</u>	Parking [\$180/Mo.]	$-\frac{2,160}{842,840.00}$	- <u>0.00</u>
Taxable Pay	\$31,780.00	\$32,500.00	Taxable Pay		\$45,000.00
Estimated Taxes	- <u>7,797.00</u>	- <u>8,295.00</u>	Estimated Taxes	- <u>17,316.00</u>	- <u>18,292.00</u>
After-Tax Income	\$23,983.00	\$24,205.00	After-Tax Income	\$25,524.00	\$26,708.00
Transit [\$60/Mo.] <b>Spendable Income</b>	<u>0.00</u>	$^{-720.00}$	Parking [\$180/Mo.]	0.00	-2,160.00
	<b>\$23,983.00</b>	\$23,485.00	<b>Spendable Income</b>	<b>\$25,524.00</b>	\$24,548.00
Tax-Free Income with CBP: \$498.00			Tax-Free Income	with CBP: §9	76.00

Your savings may differ based on exemptions, deductions, contributions to retirement, etc.

## SAMPLE FROM TRUST ADMINISTRATORS, INC. COMMUTER BENEFIT PLAN - EMPLOYEE SUMMARY

Plan Year: Start: January 1, 2007 End: December 31, 2007

#### FILING CLAIMS & REIMBURSEMENT OF EXPENSES

After incurring a commuter or parking expense, file a claim with Trust Administrators, Inc. (TAI). Include documentation (copies of transit ticket, monthly Fast Pass, parking receipt). You may also file annual claims - see Claim Form for details. If a parking receipt is unavailable, complete the "Parking Without Receipt" form that is available from your H.R Dept. or TAI's website under "Forms." TAI will reimburse you per the schedule listed on the Claim Form included with this Summary. Extra Claim Forms are available from Human Resources and online. You have an extra 90 days after the end of each plan year to submit last year's expenses. This is referred to as the "grace" period.

#### REIMBURSEMENT OF EXPENSES UPON TERMINATION

IRS regulations provide that if you terminate employment during the plan year, your last CBP contribution and reimbursement will be prorated to the date of termination.

Claims may be submitted upon termination at any time during the balance of the plan year, including the grace period (90 days after the plan year ends).

### PLANNING YOUR COMMUTER EXPENSES HOW MUCH WILL YOU SAVE?

#### 2007 TAX TABLES with FICA & Medicare **COMMUTER WORKSHEET Filing Status** Mass Transit Monthly Limit: \$110 (\$1,320 per yr.) Income Tax Brackets Single **MFJ MFS** HOH Parking Monthly Limit: \$215 (\$2,580 per yr.) \$1 -\$7,825 17.65 17.65 17.65 17.65 7,826 -11,200 22.65 17.65 22.65 17.65 1. Annual Gross Income 11,201 -15,650 22.65 17.65 22.65 22.65 (Yours & Spouse) 15,651 -22.65 22.65 22.65 22.65 31,850 31.851 -42,650 32.65 22.65 32.65 22.65 42,651 -63,700 32.65 22.65 32.65 32.65 2. List Annual Commuter 63,701 -64,250 32.65 32.65 32.65 32.65 **Expenses:** 64,251 -32.65 77,100 32.65 32.65 35.65 97,500 77,101 -35.65 32.65 35.65 32.65 A. Mass Transit 97,501 -97,925 29.45 26.45 29.45 26.45 97,926 -110,100 29.45 26.45 34.45 26.45 110,101 -128,500 29.45 26.45 34.45 29.45 B. Parking 128,501 -160,850 29.45 29.45 34.45 29.45 160.851 -174.850 34.45 29.45 34.45 29.45 174,851 -178,350 34.45 29.45 36.45 29.45 TOTAL 178,351 -195,850 34.45 29.45 36.45 34.45 195,851 -349,700 34.45 34.45 36.45 34.45 3. Find Taxable Income. 349,701 & Over 36.45 36.45 36.45 36.45 Multiply Tax Rate % by Line 2 and Enter Result Add State Taxes of 3% to 9% for Extra Savings if applicable. to compute tax savings. Social Security Limit for 2007 is \$97,500; salaries above that amount save 6.2%, but Medicare payments of 1.45% continue. Example: Earn \$80,000 and file as Single. Commuter

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1970 Broadway, Suite 1140 • Oakland, CA 94612 Telephone: 510-451-2810 • Fax: 510-451-8611 expenses amount to \$,1200 per calendar year. **Tax savings is \$427.80** (\$1,200 X .3565)

Online Calculator at www.trustadmin.com Questions: 800-932-3539

# SAMPLE FROM TRUST ADMINISTRATORS, INC. COMMUTER BENEFIT PLAN - ENROLLMENT FORM



Plan Year: Start: January 1, 2007 End: December 31, 2007

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Print Clearly Employee Name	Social Security #	
Home Address (Street)		
City	StateZip code	
E-Mail Address	Home Telephone_( )	
amount selected will be deducted evenly exceed the amounts indicated below. I well as enroll during the plan year when cannot be reimbursed for expenses prior	salary for the Commuter Benefit Plan (CBP). I understand the an each pay period throughout the plan year. The monthly amounts shall also understand that I may stop, increase or decrease my deduction my transportation expenses change and I cannot forfeit contribution	II not is as is. I
MASS TRANSIT • \$110 Pl	ER MONTH • \$1,320 PER CALENDAR YEAR	
"Transit Passes" such as tokens	s, farecards, vouchers or monthly passes	
"Vanpools" or "Commuter Highwat least 6 adults (not including th	ay Vehicles" having a seating capacity of e driver).	
	ANNUAL AMOUNT \$	
PARKING • \$215 PER MO	NTH • \$2,580 PER CALENDAR YEAR	
Parking at or near Employer's wo work by carpool, vanpool or mas	orksite or to a location for commuting to se transit.	
	ANNUAL AMOUNT \$	_
Employee Signature	Date	
TRUST ADMINISTRATORS, INC. QUESTIONS? 800-932-3539 www.trustadmin.com ©1999-2006 TAI All Rights Reserved	Effective Date for Deductions  Completed by Employer  Distribution: Original to Employer • Copies for Participant and To	

### SAMPLE FROM TRUST ADMINISTRATORS, INC. COMMUTER BENEFIT PLAN - CLAIM FORM



Plan Year: Start: January 1, 2007 End: December 31, 2007 C B P

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### Reimbursement

rint Clearly		
mployee Name	Social Security #	
dome Address (Street)		Check Box if New Address
City	StateZipc ode	
Paytime Phone_()	Check Box if Date Terminated: Terminated:	
-Mail Address		
ONLINE ACCOUNT LOOKUP:  GO TO: www.trustadmin.com • Click Account Lookup. Enter your Social Security Number.  FILING CLAIMS:  ONLINE ACCOUNT  "ACCESS" NUMBER: To PASSWORD: To Be		signed
(1) Complete Form listing expenses. Attach e	extra Forms if needed. SIGN and DATE below.  P THE ORIGINAL DOCUMENTS for your re	ecords.
[Be sure your postage is correct and document		
[Be sure your postage is correct and document Filing an Annual Claim: File your first clareceipt) for the amount you enrolled and you		ode of transportation
[Be sure your postage is correct and document Filing an Annual Claim: File your first clareceipt) for the amount you enrolled and you changes (e.g. you start using train instead of	nts legible.]  aim with sample expense documentation (e.g. travill not have to file future claims unless your most a vanpool). If you change, just send new	ode of transportation
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I certify this claim is accurate and the attached documentation (with the exception of metered parking) represents a sampling of my transportation expenses. I understand I may not claim duplicate expenses from another CBP.

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### SAMPLE FROM TRUST ADMINISTRATORS, INC. DIRECT DEPOSIT AUTHORIZATION FORM



This form not required for reimbursement through Employer's payroll system.

#### All Information Required - Print Clearly - Sign & Date Where Indicated

**Instructions:** Use this Form to commence, change or cancel your direct deposit with TAI. Allow up to three weeks from the date TAI receives your Form to activate your account because of processing by the Federal Reserve. Reimbursement will occur only upon submission of a claim form. You must sign, date and include with this Form a "voided" check - no deposit slips. Write "Void" across the middle of the check (make sure the account numbers are legible). Reimbursement will follow the schedule outlined below.

If you have previously filed a Direct Deposit Form for Flex, HSA or HRA, you do not have to complete this Form.

#### > REIMBURSEMENT SCHEDULE

Employee Name	Social Security #
Home Address (Street)	
City State	Zip Code
Daytime Phone_()	
E-Mail Address	
Check boxes as applicable:	
Start Direct Deposit: [ ] Change Accord	unt: [ ] Cancel Account [ ]
Indicate Type of Account:	
Checking Account: [ ]	Savings Account [ ]

Fax this Form with your voided check to 510-451-8611 and TAI will obtain the U.S. Federal Reserve's routing and account numbers on your behalf. Remember, no deposit slips.