Commuter Benefit Plan 2008

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, 2008 End: December 31, 2008

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 2008 CALENDAR YEAR

You may deduct on a pre-tax basis up to \$115 per month (\$1,380 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 2008 CALENDAR YEAR

You may deduct up to \$220 each month (\$2,640 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.

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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.

Your reimbursement will be included with your paycheck. However, in order to accomplish this, you must first send a claim form with a copy of your ticket (or affidavit) requesting the amount you elected for the entire plan year. Your contribution will be deducted pre-tax each pay period and recycled back in your paycheck untaxed.

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 - MONTHLY CARRYOVER RULE

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. You may now carry-over unused/unclaimed contributions for future monthly commuter expenses, including the next plan year, up to the monthly amount you enrolled and prior to any modification. However, reimbursement may not exceed the federal monthly limit. 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.

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.] Taxable Pay	- <u>720.00</u> \$31,780.00	- <u>0.00</u> \$32,500.00	Parking [\$180/Mo.] Taxable Pay	- <u>2,160</u> \$42,840.00	- <u>0.00</u> \$45,000.00
Estimated Taxes After-Tax Income	- <u>7,797.00</u> \$23,983.00	- <u>8,295.00</u> \$24,205.00	Estimated Taxes After-Tax Income	- <u>17,316.00</u> \$25,524.00	- <u>18,292.00</u> \$26,708.00
Transit [\$60/Mo.] Spendable Income	\$23,9 83.00	- <u>720.00</u> \$23,485.00	Parking [\$180/Mo.] Spendable Income	0.00 \$25,524.00	-2,160.00 \$24,548.00
Tax-Free Income with CBP: §498.00			Tax-Free Income	with CBP: §9	<u>76.00</u>

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, 2008 End: December 31, 2008

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

			Filing Status			
Income T	ax	Brackets	Single	MFJ	MFS	НОН
\$1	_	\$8,025	17.65	17.65	17.65	17.65
8,026	-	11,450	22.65	17.65	22.65	17.65
11,451	-	16,050	22.65	17.65	22.65	22.65
16,051	-	32,550	22.65	22.65	22.65	22.65
32,551	-	43,650	32.65	22.65	32.65	22.65
43,651	-	65,100	32.65	22.65	32.65	32.65
65,101	-	65,725	32.65	32.65	32.65	32.65
65,726	-	78,850	32.65	32.65	35.65	32.65
78,851	-	100,150	35.65	32.65	35.65	32.65
100,151	-	102,000	35.65	32.65	40.65	32.65
102,001	-	112,650	29.45	26.45	34.45	26.45
112,651	-	131,450	29.45	26.45	34.45	29.45
131,450	-	164,550	29.45	29.45	34.45	29.45
164,551	-	178,850	34.45	29.45	34.45	29.45
178,851	-	182,400	34.45	29.45	36.45	29.45
182,401	-	200,300	34.45	29.45	36.45	34.45
200,301	-	357,700	34.45	34.45	36.45	34.45
357,701	&	More	36.45	36.45	36.45	36.45

Add State Taxes of 3% to 9% for Extra Savings if applicable. Social Security Limit for 2008 is \$102,000; salaries above that amount save 6.2%, but Medicare payments of 1.45% continue.

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1970 Broadway, Suite 1140 • Oakland, CA 94612 Telephone: 510-451-2810 • Fax: 510-451-8611

COMMUTER WORKSHEET

Mass Transit Monthly Limit: \$115 (\$1,380 per yr.) Parking Monthly Limit: \$220 (\$2,640 per yr.) Compute expenses on a monthly basis from your enrollment (coverage) date.

- 1. Annual Gross Income (Yours & Spouse)
- 2. List Annual Commuter Expenses:
 - A. Mass Transit
 - B. Parking

TOTAL

3. Find Taxable Income. Multiply Tax Rate % by Line 2 and Enter Result to compute tax savings.

Example: Earn \$80,000 and file as Single. Commuter expenses amount to \$,1200 per calendar year. **Tax savings is \$427.80** ($\$1,200 \times 3.3565$)

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, 2008 End: December 31, 2008

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Print Clearly Employee Name	Social Security #
Home Address (Street)	
	StateZip code
	Home Telephone_(
amount selected will be deducted evenly exceed the amounts indicated below. I a well as enroll during the plan year when cannot be reimbursed for expenses prior to the incur the following work related transport	salary for the Commuter Benefit Plan (CBP). I understand the annual each pay period throughout the plan year. The monthly amounts shall not also understand that I may stop, increase or decrease my deductions as my transportation expenses change and I cannot forfeit contributions. I o my enrollment date. tation expenses. I may enroll in both accounts if I have both expenses. 5 PER MONTH • \$1,380 PER CALENDAR YEAR
"Transit Passes" such as tokens	farecards, vouchers or monthly passes \$
"Vanpools" or "Commuter Highwa at least 6 adults (not including the	ay Vehicles" having a seating capacity of \$
	ANNUAL AMOUNT \$
	MONTH • \$2,640 PER CALENDAR YEAR rksite or to a location for commuting to stransit. ANNUAL AMOUNT \$
Employee Signature TRUST ADMINISTRATORS, INC. QUESTIONS? 800-932-3539	Date Effective Date for Deductions Completed by Employer
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SAMPLE FROM TRUST ADMINISTRATORS, INC. COMMUTER BENEFIT PLAN - CLAIM FORM



Plan Year: Start: January 1, 2008 End: December 31, 2008

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Reimbursement

<u>Determine</u>	d By Each Employer		
Print Clearly			
Employee Name	Social Security #	<u> </u>	
Home Address (Street)		Check Box if New Address	
City			
Paytime Phone ()	Charle Day if Data		
-Mail Address			
ONLINE ACCOUNT LOOKUP: GO TO: www.trustadmin.com • Click Account Lookup. Enter your Social Security Number. FILING CLAIMS:	ONLINE ACCOUNT LOOK-L "ACCESS" NUMBER: To Be Ass PASSWORD: To Be Assigned	igned	
(1) Complete Form listing expenses. Attach extra F (2) Attach copies of receipts and YOU KEEP TH (3) Mail to Trust Administrators, P.O. Box 20710, C [Be sure your postage is correct and documents le	E ORIGINAL DOCUMENTS for your red Dakland, CA 94620	cords.	
Filing an Annual Claim: File your first claim w receipt) for the amount you enrolled and you will no changes (e.g. you start using train instead of a vidocumentation.	ot have to file future claims unless your mo	de of transportation	
FAX CLAIM: 510-451-8611 • QUESTIONS: 800-93	32-3539		
Соммит	COMMUTER EXPENSES		
DESCRIBE EXPENSE TRANSIT • VANPOOL • PARKING	INDICATE PERIOD OF SERVICE (Monthly or Annual)	AMOUNT CLAIMED	
Vanpool License Number:	·	\$	
➤ Employee Signature	Date		

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

Determined By Each Employer

Employee Name	Social Security #
Home Address (Street)	
CitySta	teZip Code
Daytime Phone (
E-Mail Address	
Check boxes as applicable:	
Start Direct Deposit: [] Change A	ccount: [] 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.