



Transit Accounts

Qualified Transportation Benefits

A Transit 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.

Transit Account

A Transit Account allows you to use your benefit card 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. Note: reimbursements for transit accounts are not allowable under IRS guidelines.

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.)

uberPOOL and Lyft

The use of uberPOOL and Lyft have the same restrictions as vanpool explained above. You must first enter your benefit card information as a "commuter card". When using Lyft or Uber, choose a shared ride, or ride pool option. When your commuter card is used, you will be assigned a 6+ seat vehicle. Note that wait times may increase by using this option. Your benefit card must be entered as a commuter benefit card, or any shared/pool ride will be denied. You will also be denied for any vehicle with less than 6 seats.

How the Account Works

You decide whether or not you want to participate in a Transit 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. Simply use your benefit card to pay for expenses with tax-free money. Note: reimbursements for transit accounts are not allowable under IRS guidelines.



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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. The 2022 contribution limits is: Transit \$280/month. 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.

Reimbursement From Your Account

With transit accounts, you may use your HRPro Benefit Card to pay the merchant. Please retain your receipts and submit a copy to us for verification.

The IRS does not allow manual claims and reimbursements for transit accounts. For transit accounts, you must use your HRPro benefit card.

How to Enroll

If you decide to enroll in a Transit 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.