luminare health

Commuter Benefits



Getting help with their work commute is valuable to employees. Transportation Reimbursement Accounts are an important employee benefit as they help employees save time and money when they use public transit for their commute to work. Public transportation also helps the environment by reducing congestion and car pollution.

Election and spending

The IRS sets maximum monthly pre-tax deduction and spending and adjusts annually; these limits reflect the maximum allowed pre-tax contribution and reimbursement amounts per calendar month.

2027 limits are:

- Transit Passes or Commuter Highway Vehicle – $350/month
- Parking – $350/month
- Unused amounts can be carried over.
- Contributions are available for reimbursement based on a payroll deduction cycle (like dependent care flexible spending accounts).
- The employee can track account activity at wellstarhealthplan.org.

Qualified Transportation Accounts (QTAs) – What are they?

QTAs allow employees to set aside pre-tax funds for eligible transit and parking expenses, governed by IRC Section 132; employees save for their commute and save on their taxes. Parking accounts and transit accounts are separate and funds cannot be transferred from one to the other. Transit and/or parking benefits are limited to employee expenses only: Reimbursement is not allowed for spouse or dependent transit or parking expenses.

How the Benefit Spending Card Works with Commuter Benefits

The Benefit Spending Card maintains separate accounts or "purses" of pre- (and post-) tax money for parking and transit and directs the card transaction to the appropriate purse based on the Merchant Category Code (MCC) at the point of sale. And if the participant already has a Benefit Spending Card for other accounts, such as an FSA or HRA, the commuter benefits account(s) can be stacked on the same Card. The Card cannot be used at alternative outlets, such as restaurants and grocery stores. The amount of available funds on the Card must cover the entire mass transit or parking expense or the transaction will be declined. The participant may split the cost by swiping his or her Card for the exact available amount and then pay for the remaining amount with an alternate form of payment.



Employees can track account activity at **wellstarhealthplan.org**

Using the Card for Transit

The Card can be used for mass transit passes, tokens, or fare cards purchased at a valid transit fare terminal.

Using the Card for Parking

When the participant uses the Card for parking expenses, there's no paying cash up front, no claim forms to fill out and no waiting for reimbursements. The Card helps with qualified QTA expenses such as parking expenses for any type of vehicle at or near the participant's work location or at or near a location from which the participant commutes using mass transit.

Benefits to Participants

The Card program offers the following advantages for the participant:

- **Tax Savings** – The IRS allows a monthly maximum of $350 for transit and $350 for parking per month to be deducted from an employee's pay before taxes, which can mean substantial tax savings.
- **Ease of Use** – The Benefit Spending Card is easy to understand, convenient and provides an automatic way to pay for qualified transit expenses.
- **Flexibility** – Participants are able to use a secondary form of payment when the purchase exceeds their monthly election.

For questions regarding Commuter Benefits, please call 877.267.3359

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