Commuter Benefits

Commuting can be a breeze.

With Commuter Benefits from your employer, you can make tax-free payroll deductions (up to the IRS limits) and in certain circumstances, post-tax deductions, to cover various modes of mass transit or parking expenses. There are two primary Commuter Benefit account types: Mass Transit accounts and Parking accounts.

Mass Transit Accounts:

Mass Transit accounts cover eligible workplace mass transit expenses such as the price of tickets, vouchers, and passes to ride a subway, train, city bus, or ferry. Qualified transit expenses also encompass costs of transportation in a commuter highway vehicle (e.g., vanpool), if such transportation is in connection with travel between a residence and place of employment. Funds only available via debit card.

Parking Accounts:

Parking accounts enable you to pay for eligible workspace parking expenses, parking costs at or near your primary work site, as well as parking costs at the place to access transportation to work, such as a train station or vanpool stop. Funds can be accessed via debit card or claim submission.

Qualified parking is defined as parking provided to an employee on or near the business premises of the employer or on or near a location from which the employee commutes to work by transportation for which a transit pass is used, in a commuter vehicle or by carpool. Such terms shall not include any parking on or near property used by the employee for residential purposes.

What are the annual IRS limits for Commuter Benefits?

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

Mass Transit maximum limit = $265/month   Parking maximum limit = $265/month

How can you benefit from tax savings?

Contributions to either a Mass Transit or Parking account are deducted from your pay before taxes, which can mean tax savings.[1]

Did you know?

- Unused Commuter Benefits will carry over to the following year.
- Election changes are not limited by a plan year and can be updated or stopped as your needs change.
- Reimbursement funds become available as they are deducted from your paycheck.
- You can change election amounts monthly.

The IRS requires the plan administrator must receive all claims for qualified expenses within 180 days after the service is provided in order for it to be considered for reimbursement.

[1] HSA Bank does not provide tax advice. Consult your tax professional for tax-related questions.

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