



# Reduce your employees' taxes and your FICA payments with Transportation Fringe Benefits

A Transportation Fringe Benefits account (TFB) from PacificSource Administrators, Inc. (PSA) can be a win-win for you and your employees. It reduces your organization's payroll taxes, while lowering your employees' tax liability. Employees can use TFBs to pay for work-related parking, transit passes, and vanpooling.



## What is a TFB?

- Employee-funded account via pretax payroll deductions.
- For reimbursing employee work-related transportation expenses.
- Employees choose their monthly contribution amount.
- Optional prepaid benefit debit card immediately deducts funds from account.
- Can allow employees to carry over unspent TFB dollars from one plan year to the next.
- Also referred to as a commuter benefit or a Section 132 plan.



## How it works

1. We help you set up and communicate your TFB offerings, including enrollment forms and plan summaries.
2. Employees make monthly elections, and your Payroll department sets up deduction codes for parking and transit expenses.
3. Employees can use their benefit debit cards, or file reimbursement claims with proof of payment after the first payroll deduction has occurred.

Continued >

## Questions?

Contact us for quotes.

## Email

[PSASales@PacificSource.com](mailto:PSASales@PacificSource.com)

## Phone

**800-422-7038**

TTY: 711

We accept all relay calls.  
Ask for PSA sales.

[PacSrc.co/psa-quote](https://PacSrc.co/psa-quote)





## How it works *(continued)*

4. We issue reimbursements directly to employees as soon as funds are available in their accounts.
5. At the end of the plan year, unused TFB funds are forfeited to the employer, or you can allow your employees to carry over their TFB funds from one plan year to the next.



## Eligible expenses

To be eligible for TFB, an employee's transportation expenses must be work-related. Examples of eligible transportation expenses include:

- Fees for parking at or near work, or at a park-and-ride
- The cost of tickets or passes for buses, trains, ferries, or subways to and from work



## Prepaid benefit debit card

- An option with our TFB plan at no additional cost
- Prepaid MasterCard for employees
- Draws on the stored value of funds in the account
- Employees can easily pay for qualified expenses, automatically



## Administration and reporting

### Ongoing administration

You have the option to submit either total employee pretax deductions, or just the amount reimbursed to employees from claims.

### Running reports

You can access reports about employees who participate in your TFB through our employer portal. Reports can show year-to-date account information such as contributions, claims processed, claims paid, and available balances.



## TFB FAQ

### Who is eligible for the transportation benefit?

Only employees are eligible to participate in the TFB. Self-employed individuals (partners, sole proprietors, and more-than-2% subchapter S shareholders) are ineligible for the income exclusion. Independent contractors are also not eligible. Your PSA representative will work with you to resolve any eligibility questions.

### Is this different than our Flexible Spending Account plan?

Yes, this is a separate tax code. Unlike FSAs, the annual fund amount is not available at the beginning of the year. Instead, the amount deducted from each paycheck becomes available each pay period.

### Can employees change or drop the plan, and then re-enroll later?

Employees may make changes at any time by completing a change form and submitting it to your payroll department. Changes can't be retroactive.

A participant may change or terminate their election for a future calendar month(s), if the following provisions are met:

- The change is made before the beginning of the upcoming calendar month; and
- The change is made before the date an employee uses benefits for that calendar month

### Can employees carry over unused funds from one month to the next?

Yes, but only if the amount requested does not exceed the federal limit per month.

### When should employees submit claims?

Requests for reimbursement can be made during the plan year, and up to 90 days after the plan year ends. After that, funds will be rolled into the next plan year if allowed by the plan.



## About us

We have a long history in insurance, employee benefit plan administration, and management services. We currently provide services for more than 2,150 organizations, primarily in the Northwest. PacificSource Administrators has regional offices in Idaho, Montana, Oregon, and Washington.