

Qualified Transportation Plan

Parking and commuting benefits for your employees



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Personalized Services from Professionals Who Care

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Qualified Transportation Plan



If many of your employees bear the financial burden of high parking and commuting costs, then you may want to consider adding a Qualified Transportation Plan to your employee benefits package.

A Qualified Transportation Plan is a flex plan benefit allowed under Section 132 of the Internal Revenue Code that allows employees to pay for certain qualified transportation expenses associated with traveling to and from work on a tax-free basis. The costs of eligible transportation expenses under this plan are completely exempt from Federal Income, Social Security and Medicare withholding. Likewise, your company's expense for Social Security, Medicare and Federal Unemployment Taxes is reduced. In addition, many states adopted the Federal Tax rules and, therefore, allow contributions to a Qualified Transportation Plan to be exempt from state payroll withholding.

Benefits to Employers	Benefits to Employees
<ul style="list-style-type: none">• No risk to employer• Employer tax savings is often more than enough to cover administrative costs• Attractive benefit for recruiting employees	<ul style="list-style-type: none">• Employees will receive an additional pre-tax benefit resulting in an increase in their take-home pay.• The plan allows employees to deduct work-related parking and mass transportation costs on a pre-tax basis, which decreases gross income thereby decreasing the amount paid in Federal, State and FICA taxes.

INNOVA can assist you in the design, implementation, and management of a successful Qualified Transportation Plan. Each plan is designed to meet the client's specific requirements and plan objectives, providing state-of-the-art employee transit and parking benefits, on a cost-effective basis. Three types of transportation benefits are available:

- **Parking/Mass Transit Conversion Account** - Allows employees to pay for employer-provided parking and mass transit benefits tax-free directly from their paychecks. Plus, there are no claim forms to fill out.
- **Parking Reimbursement Account** - Allows employees to pay for daily or monthly parking expenses incurred for parking at or near work.
- **Mass Transit Reimbursement Account** - Allows employees to pay for mass transit (subway and train tokens and passes, bus and ferry fares and passes) and vanpooling commuter vehicle expenses associated with travel to and from work.

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How The Programs Work

Employees elect to have a certain amount of their compensation contributed to the plan from every pay period. When the employee incurs eligible expenses, the employee then submits those expenses to the plan for reimbursement (except for Conversion Account) from the employee's individual account. The contribution is made before taxes are withheld, and the reimbursement is not a taxable form of compensation.

Easy Enrollment

Once enrolled, employees set a monthly election amount. Employees can change the amount of their contribution simply by completing a new election form and submitting it before the monthly deadline. All changes will be effective on the 1st of the following month.

Important Facts

- There is **no** "Use-It-or-Lose-It" feature to these accounts. Positive balances in the employees' accounts can be carried over to the next payroll period without forfeiture.
- Unlike cafeteria plans, employees can adjust contributions to their Qualified Transportation Plan election mid-year without demonstrating a "change in life" status.
- Improper administration of plans may result in their disqualification. Disqualification causes substantial tax penalties for employees and employers.

Commuting and parking expenses are a reality of the American workplace. However, now you can help minimize the cost to your employees with a Qualified Transportation Plan from INNOVA. We can help you determine if a Qualified Transportation Plan is right for you and your employees.

Money savings for Employees! - Tax Savings for you!

About **INNOVA BENEFIT Services, LLC**

INNOVA believes that the key to finding the best benefit plan provider is identifying one that offers a broad array of service customized to your needs. No matter how extensive a provider's product selection is, it is only good if it has the services that you require. INNOVAs' focus on personalized service means that we listen to your needs and provide you with the right combination of services and the right technology resources.

INNOVA is an experienced Employee Benefit Plan Service Provider that is committed to and solely focused on providing the customized service that other large companies cannot typically offer. We know that long-term satisfaction results from paying attention to the details.

INNOVA was founded by seven shareholders who are also key professionals operating the business and servicing clients. As owner employees, we are focused in providing service satisfaction to our sponsors and participants.

INNOVA provides a breadth of flexible administrative services to clients from offices in Pennsylvania and California, with clients located throughout the US. Our staff consists of many individuals with 20 to 30 years of experience in the Health and Welfare benefits industry. All of our staff are Certified Cafeteria Plan Administrators; additionally some are also Certified COBRA Administrators.

INNOVA is set apart from other plan service providers in our desire to offer the clients the flexibility to select from a variety of enrollment methods that best suit their needs; select from a variety of reimbursement methods and give their employees the freedom to choose how they use their benefit plans. In order for a benefit plan to be successful, the Plan must be effectively communicated to the employees. To assist the participants in using their benefits, our firm provides detailed materials, offers consulting services and encourages enrollment campaigns to help your employees fully comprehend how their benefit can be used to increase their spendable income.

INNOVA is committed to servicing clients, many of whom we have worked with for years, with excellence and personalized attention. We assign our clients a dedicated account manager. We don't like to change these relationships and many relationships have existed for years. We also coordinate with clients' brokers and consultants for seamless service and communications. Too many employers and some service-providers believe these services are a commodity and that attention to compliance is not significantly important. Our firm believes that employers cannot risk non-compliance when it comes to benefits mandated by the IRS. As your service provider, we follow the rules and stay abreast of the ever-changing laws.

INNOVA BENEFIT Services offers its clients a unique combination of personalized service and state-of-the-art technology. Our clients enjoy the confidence and peace of mind that their benefit programs are being administered in a reliable and compliant manner so that they can concentrate on their core business functions.



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