



Transportation Benefit Pre-Tax Limit Increased - Effective Immediately

On Wednesday evening, January 2, 2013 President Obama signed into law the Taxpayer Relief Act of 2012, a sweeping bipartisan bill designed to avoid hitting the "Fiscal Cliff." Contained in this legislation (section 203) is a provision that increases the pre-tax monthly election amount for Transit Benefits to \$245.00 retroactive to 1/1/2012.

Qualified Transportation Plans, under Code §132, allow employers to provide the following transportation fringe benefits to employees on a tax-free basis:

- **Qualified Parking - Up to \$245 per month can be elected pre-tax (was \$240 previously)**
 - *Qualified parking includes parking provided to employees at or near the business premises of the employer, and also parking provided to an employee at or near a location from which the employee commutes to work by mass transit, or by vanpooling in a commuter highway vehicle.*
- **Mass Transit Expenses - Up to \$245 per month can be elected pre-tax**
 - *Mass transit expenses include transportation expenses on a bus, ferry, subway, train, or qualified vanpool (Fastrak and/or toll road expenses are not eligible).*
- **Bicycle Commuting Expenses - Up to \$20 per month**

Please advise your employees that may be participating in the Mass Transit Benefits (QTA - Section 132) Plan that the amounts they elected can be increased from the \$125 up to the new limit of \$245 per month!

Unlike FSA Plans, Section 132 Plans allow for changes in the pre tax election during the year.

If participants would like to join or change their elections to take advantage of this new limit - this is a perfect time to do so. If you need Election forms, contact your PayPro Administrators Representative.

If you do not currently offer Qualified Transportation & Parking Benefits, and wish to take advantage of this tax free benefit - please contact Bobbi Hamilton, of PayPro Administrators @ 951-656-9273 x 212, or email BobbiH@pagroup.us or sales@pagroup.us
