

beneTIPS®

DECEMBER 23, 2015



Mass Transit Maximum Increases for 2016

On December 18, the IRS released the maximum contribution for mass transit accounts will be increasing for 2016.

Effective January 1, 2016, the mass transit maximum will increase to \$255/month while the qualified parking maximum will remain at \$255/month. FSA maximums will stay the same (Health Care FSA - \$2,550/year and Dependent Care FSAs - \$5,000/year).

Next Steps:

- < Although the timing of this announcement comes after many employers have already issued Open Enrollment communications, we have prepared content that can be blasted via email to notify employees about this change and how they can go about changing their election (see next pages).
- < If you partner with Baker Tilly Vantage for mass transit benefit administration, your plan's mass transit maximum will be automatically updated to reflect \$255/month through the myFlexDollars portal. If you partner with us for enrollment support, this adjusted maximum will be visible in all enrollment systems and processes by January 1, 2016. Included as part of this update is a change form that can be used to expedite enrollment changes. If you do not want your existing 2016 plan maximums changed, please contact your account team as soon as possible.
- < Please contact your account team if you need membership data to perform your fee calculations.

Have Questions?

Eric Pochas
Director of Client Services
570-319-3751
eric.pochas@bakertilly.com

QuickTIP

As an IRC §132 benefit, regulations state that “each month, the amount of the compensation reduction may not exceed the combined applicable statutory monthly limits for transportation in a commuter highway vehicle, transit passes, and qualified parking.”



Mass Transit Benefit Limit Set to Change for 2016

The Internal Revenue Service (IRS) has released its 2016 cost-of-living adjustments for Qualified Transportation Benefits:

- < For 2016, the monthly limit on the amount that may be excluded from your income on a pre-tax basis for qualified mass transit and vanpooling expenses is **\$255** (a \$125 increase from the 2015 limit of \$130).
- < For 2016, the monthly pre-tax limit for parking expenses will remain at **\$255**.

If your transportation election(s) are greater than the new monthly limits outlined above, your excess amounts will be withheld from your pay on a post-tax basis. This post-tax feature enables you to use your benefits card to pay your entire monthly commuting expense. Funds in your account(s) not used at the end of the calendar year carry over to the next calendar year.

If you are interested in changing your Transit and/or Parking Account contribution, please complete the enclosed Benefits Change Form and fax it to the Employee Benefits Center at 1-866-406-0946. **Changes submitted by the 20th day of the month will become effective on the first day of the following month.**

If you have any questions regarding this notice, please call the Employee Benefits Center at **1-800-307-0230** Monday through Friday between 8:30 a.m. and 5:30 p.m. Eastern Time. You can also view account and plan information at any time by visiting **www.myFlexDollars.com** or by using the **myFlexDollars** mobile app.





2016 PARKING AND TRANSIT SPENDING ACCOUNT BENEFITS CHANGE FORM

INSTRUCTIONS

You have the opportunity to change your Parking and/or Transit Spending Account contribution amount periodically throughout the plan year. **Please complete this form if you are:**

- > Newly electing a Parking and/or Mass Transit Account
- > Increasing or decreasing your Parking and/or Transit Account contribution amount
- > Discontinuing participation in a Parking and/or Transit Account

Once your form is complete, please fax it to the Employee Benefits Center at 1-866-406-6946. Changes will take effect on the first of the month following the effective date.

Please call the Employee Benefits Center at 1-800-307-0230 if you have any questions or need assistance completing this form.

EMPLOYEE PROFILE

Name	_____	SSN (Last four digits only)	XXX - XX - _____
Address	_____	Date of Hire	_____
	_____	Date of Birth	_____
City, State Zip	_____	Home Phone #	_____

PARKING SPENDING ACCOUNT

To elect a Parking Spending Account, please indicate below the **monthly amount** that you would like to contribute. The maximum monthly pre-tax Parking contribution amount is **\$255**.

- YES, I would like to elect the **PARKING** Spending Account. My **monthly** contribution amount is \$_____.
- YES, I would like INCREASE/DECREASE my **PARKING** Account. My **new monthly** contribution amount is \$_____.
- NO, I wish to WAIVE/DISCONTINUE participation in the **PARKING** Spending Account.

TRANSIT SPENDING ACCOUNT

To elect a Transit Spending Account, please indicate below the **monthly amount** that you would like to contribute. The maximum monthly pre-tax Transit contribution amount is **\$255**.

- YES, I would like to elect the **TRANSIT** Spending Account. My **monthly** contribution amount is \$_____.
- YES, I would like INCREASE/DECREASE my **TRANSIT** Account. My **new monthly** contribution amount is \$_____.
- NO, I wish to WAIVE/DISCONTINUE participation in the **TRANSIT** Spending Account.

AUTHORIZATION

I authorize my employer to adjust my payroll contributions based on the changes that I have indicated above. **I understand that I can change my elections periodically throughout the plan year (as determined by my employer). I understand that if I do not submit another Change Form, the elections indicated above will remain in effect for the remainder of the current plan year.** Any monies remaining in my account(s) at the end of the plan year will be rolled over into the next plan year. I understand that my employee and employer contributions to Social Security may be somewhat reduced since my contributions for the benefits elected on this form are deducted from my pay on a pre-tax basis.

Signature _____	Date _____
-----------------	------------