

TRANSPORTATION/PARKING REIMBURSEMENT

The Transportation Equity Act (TEA) makes it possible for employees to be reimbursed for certain transportation expenses through a flexible spending account. Specifically, TEA allows employees to set aside pre-tax dollars to be reimbursed for qualified transportation expenses. These expenses include qualified vanpooling, mass transit passes, and parking.

There are two types of reimbursement accounts offered through TEA that may be established. The first account - parking reimbursement - can be established for qualified parking expenses that are incurred so you can work. The second account - transportation reimbursement - is available for qualified mass transit and vanpooling expenses incurred while commuting to work.

HOW DOES IT WORK?

The parking reimbursement account (PRA) allows you to set aside up to \$240 on a pre-tax basis per month (2012 limit) to be reimbursed for qualified parking expenses. The transportation reimbursement account (TRA) allows a monthly pre-tax account contribution of \$125 (2012 limit). You can only be reimbursed up to the balance available in your account. Receipts for expenses must accompany the claim form. You can enroll, change or drop your enrollment at any time during the plan year, within the guidelines of your employer's rules governing such action, by contacting your Human Resources Department.

PRA can only reimburse expenses that are considered qualified parking expenses. Qualified parking expenses are parking expenses incurred by you on or near the business premises of your employer that are incurred so you can work. They are also parking expenses incurred on or near a location from which you commute to your employer by mass transit, vanpooling, in a commuter highway vehicle, or by carpool.

Expenses eligible for a TRA must fit the definition for qualified mass transit or vanpooling expenses. Qualified mass transit and vanpool expenses are defined as:

MASS TRANSIT - any ticket, pass, token, fare card, voucher, or similar item that entitles you to transportation (or transportation at a reduced price), provided that such transportation is on mass transit facilities, or provided by an entity in the business of transporting persons if such transportation is provided in the type of highway vehicle eligible for use in vanpooling.

VANPOOLING - transportation to and/or from work from and/or to your residence by way of a commuter highway vehicle with a seating capacity of six or more adults (not including the driver), and at least 80% of the mileage use can reasonably be expected to be for purposes of transportation of you between work and residence, and on trips during which the number of employees carried is at least $\frac{1}{2}$ of the adult seating capacity of such vehicle (not including the driver). This can include transportation furnished by your employer, if applicable.

ELECTION PROCESS

Parking and transportation reimbursements are unique in that you can make elections to participate in the program at any point during the calendar year. Your Human Resources Department can provide detail on specific enrollment deadlines. All elections must be made before the expenses are incurred. Retroactive expenses are not reimbursable under TEA guidelines.

After the initial elections are made, you may change your election or terminate participation at any time. Again, your Human Resources Department can provide detail on specific deadlines to make changes to your election. Unlike other benefit programs, participants do not have to experience a "life event" to make an election change.

Just as with flexible spending accounts, funds contributed to parking and transportation reimbursement accounts may not be co-mingled from one account to the other but can be carried from month to month for reimbursement. These reimbursement funds are not refundable to you. What you leave behind in the transit and parking reimbursement funds are forfeited to the employer.

CLAIMS PROCESSING

Your flexible spending account debit card can be used for parking and transportation expenses. If you are unable to debit these expenses, a claim form is available on your Benergy website. Claims can be submitted:

By mail to Mid American Group, P.O. Box 482, Westmont, IL 60559

By e-mail to flexclaims@midamgroup.com

By fax to 630-789-9421

Reimbursements are issued weekly and direct deposit is available. You can contact Mid American Group at 630-789-9508.