

## TRANSIT EXPENSE PLAN (TEP)

Pay for Parking, Bus Pass or Vanpool Expenses with Tax-Free Dollars!



### General TEP Questions

#### 1. What is a Transit Expense Plan (TEP)?

The TEP covers the Transit Expense Account (TEA) for both parking (Parking Expense Account - PKEA) and bus pass/vanpool (Bus Pass/Vanpool Expense Account - BVEA), and the Payroll Deduction Account (PDA-administered through your agency).

This plan allows an employee to have tax-free payroll deductions for these separate accounts.

#### 2. How much money can I set aside on a tax-free basis for the PKEA and BVEA?

The monthly maximum tax-free limit for the PKEA and BVEA is \$265.

Note: A \$50 minimum election and contribution per year is required to participate in the PKEA or BVEA. A new election must be made by 12/31/2018 in order to have 2018 funds rollover to 2019.

#### 3. What is a Payroll Deduction Account (PDA)?

The Payroll Deduction Account (PDA) allows you to pay for payroll-deducted parking and bus pass expenses (for example, the Metro Pass) with pre-tax dollars. The PDA is administered by your agency. If you currently have parking or bus pass deductions from your paycheck and payments are administered through your agency, you are already enrolled in the PDA. Unless you have any additional out-of-pocket parking or transit expenses, you would not need to also enroll in the PKEA or BVEA.

Enrollment in the PDA is “automatic” when you sign up for these expenses through your agency; you do not enroll in this program during Open Enrollment. Any changes to your PDA deductions need to be made through the agency or the office where you originally signed up for parking or purchased your transit pass.



**4. Are expenses such as carpool lane passes, HOV lane fees, commuting mileage, taxicab fares and fuel eligible?**

No, only qualified expenses for your workplace parking, bus pass, vanpool or the light rail are eligible.

**5. What is a qualified expense for the PKEA?**

Eligible expenses for the TEA-PKEA are defined as expenses paid to park your car (or bicycle) in a facility near the business premises of your employer or expenses paid to park your car at a location from which you commute to work by (a) mass transit, including the light rail system, (b) a commuter highway vehicle (vanpool), or (c) carpool.

**6. What is a qualified expense for the BVEA?**

Eligible transportation expenses for the TEA-BVEA are defined as work-related expenses paid for transportation on mass transit including the light rail system and expenses paid for participation in a vanpool that provides transportation to and from work.

**7. What qualifies as a vanpool?**

Vanpools are defined by the IRS as any highway vehicle that has seating for at least six adults, excluding the driver. At least 80% of the vehicle mileage is expected to be used to transport employees to and from work, and at least half of the vehicle must be occupied for such purpose.

**8. Can I use a TEA to pay for my spouse's and/or dependent's workplace mass transit or parking expenses?**

No, this account can only be used to pay for your own qualified transportation expenses.

**9. Can I use a TEA to pay for business or personal travel expenses?**

No, only work-related qualified expenses are eligible for reimbursement through your PKEA and BVEA.

**10. Can money in a Parking Expense Account be used for the Bus Pass/Vanpool Expense Account expenses and vice versa?**

No, money directed to one type of account can be used only for expenses relating to that account.

**11. What happens to the balances if I do not use all the money deposited into my TEA in a given plan year?**

Excess balances at the end of a plan year will be carried over to the subsequent plan year as long as a new election of at least the \$50 minimum is made during Open Enrollment or by December 31, 2018. You may adjust your future TEA elections to avoid having excess balances in your TEA, but cannot reduce the amount to less than \$50 nor lower than the payroll contributions made to the account. If you do not elect to continue your TEA in 2019 (at least a minimum \$50 election), any funds remaining in your 2018 account after the 2018 plan's run out period (the last day of February 2019) will be forfeited.



**12. Can I change my TEA election once it is made?**

Yes, you can change an election monthly; however, your election cannot be changed to less than the \$50 minimum nor to less than what has been contributed. Such changes can be made throughout the plan year and are effective the first day of the pay period following SEGIP's receipt of the completed Change form.

**13. Can I stop contributing to a TEA?**

You can elect to stop contributing to your TEA once you meet the \$50 minimum election. Your account balance will continue to be available for your use for the balance of the plan year as long as you continue to remain eligible in the plan (i.e. an active employee).

**14. Do I have to sign up each year for the TEA?**

If you wish to continue participation in the plan and roll over any remaining balance, you must elect either during Open Enrollment or by December 31, 2018. Elections can be made or changed during the year, not just during Open Enrollment.

**15. How do I know how much money is in my PKEA or BVEA?**

You can go online to [www.121benefits.com](http://www.121benefits.com) or use the mobile app to view your balances and account activity. You can also call 121 Benefits at (612) 877-4321 or toll free at (800) 300-1672, Monday through Friday, to find out the balance in your accounts.

**How to Enroll or Change an Election**

**16. How do I enroll in the Plan?**

You can enroll in the TEA during Open Enrollment through the State's Self Service site for the following plan year. If you enroll outside of Open Enrollment, you must complete a Transit Enrollment form. If you are adjusting your election during the year, complete a Transit Change in Participation form. Both forms are found on the 121 Benefits' website ([www.121benefits.com/client-landing/state-of-minnesota](http://www.121benefits.com/client-landing/state-of-minnesota)). Be sure to use the forms designated for State of Minnesota participants.

**Claims Reimbursements**

**17. How do I get reimbursed for my parking or vanpool expenses?**

After you have incurred your expense, you will need to submit a completed and signed claim form to 121 Benefits via the mobile app, by U.S. mail, or fax to (612) 877-4322. Parking expenses can also be submitted online at [www.121benefits.com](http://www.121benefits.com). 121 Benefits will review your claim and issue you a reimbursement for eligible expenses. Pre-payments for upcoming services cannot be processed until the service has occurred.



**18. How do I access the funds in my TEA-Bus Pass/Vanpool for transit expenses?**

Effective 1/1/2018, you must use the benefit debit card to purchase bus and light rail fares and passes. A benefits debit card will be mailed to new participants. This is the same card as used with the MDEA and HRA. If you have more than one type of these accounts, you will be issued only one set of cards. Use this card as your form of payment at transit stations, transit service centers, or at the online websites of transit providers. Reimbursement requests will not be accepted for bus and light rail fares. These debit card purchases will automatically adjudicate as eligible expenses at the allowed vendors and no additional documentation is needed. The debit card for commuter expenses will not work at locations such as Cub Foods, for example, and commuter passes purchased at Cub Foods would not be reimbursed.

Funds are available in the TEA-Bus Pass/Vanpool Expense Account after each pay period. You cannot access the funds until they have been deposited to the account.

**19. After a service is provided, how long do I have to submit my claim for parking or vanpool expenses?**

Your completed claim must be received by 121 Benefits within 180 days after the service was incurred or paid or by the plan year filing deadline of February 28 (29 if it's a Leap Year), whichever comes first.

**20. What happens if I submit a claim and my TEA balance is less than the amount of the claim?**

You will be reimbursed up to the amount of your account balance. The remaining portion of the claim will be paid when the account(s) are funded again with a payroll deduction.

**21. What kind of supporting documents need to be submitted with the claim form for parking or vanpool reimbursement?**

A receipt from the vendor which shows the vendor's name, the type of service provided, the date(s) the service was provided, and the cost of the service should be provided along with the reimbursement request form.

**22. What if I can't secure proper documentation (i.e. receipts) for an eligible expense?**

In the case where there are legitimate circumstances which prevent you from obtaining appropriate documentation from the vendor (such as using a parking meter), include a note with your reimbursement request that states the reason documentation couldn't be provided.

**23. Can I have my reimbursements deposited directly into my savings or checking account?**

Yes, you may sign up for direct deposit under your online account or complete and submit the 'Direct Deposit Authorization Form', which is available on the 121 Benefits website.



**24. When can I use my debit card to purchase a commuter pass?**

Reimbursements can only be made from a Transit Expense Account if there is money in the account. If you are new to the BVEA and have not made any contributions to the account, your debit card will not work for a commuter pass purchase until funds have been deposited into the account. For example, if you elect a BVEA for mass transit purchases with an effective date of January 1, 2019, your first payroll contribution will be made to the account on January 4, 2019. You would be unable to use your BVEA for a January 2 purchase because there are no funds in the account at the purchase time.

**25. How do I purchase transit fare if my debit card is on hold due to an unsubstantiated debit card transaction against my MDEA or HRA?**

If your card has been suspended due to outstanding substantiation or repayment requests for the Medical/Dental Expense Account (MDEA) or Health Reimbursement Arrangement (HRA), you will need to provide documentation to clear up the outstanding transaction(s). If you do need to purchase transit fares while your card is suspended, contact 121 Benefits and they will activate your card for the day so you can purchase your transit fare.

For additional information, please visit us online at [www.121benefits.com](http://www.121benefits.com) or contact us at 612.877.4321 or toll free at 800.300.1672

