



WIREDCOMMUTE

by BASIC



Section 132 Plans

An employer can offer three types of qualified transportation fringe benefits to their employees: parking, transit passes, and vanpooling.

Implementing a Parking & Transit Plan can save you and your employees thousands of dollars in taxes every year.

2020 IRS Pre-Tax Caps

The maximum benefit is indexed annually to keep pace with inflation.

Parking:

\$270 per month for qualified parking

Transit:

\$270 per month for transit passes

What are Qualified Expenses?

Separate monthly maximum dollar limits apply to Parking and Transit/Vanpooling benefits.

Parking: Parking provided on or near the employer's business premises or at a location from which the employee commutes by carpool, commuter highway vehicle, etc.

Transit: A pass, token, fare card, or similar item entitling a person to transportation on mass transit facilities or provided by a person who transports people for compensation or hire, in a vehicle which seats at least six adults, excluding the driver.

Vanpooling: Transportation provided by an employer to an employee, in a vehicle which seats at least six adults (excluding the driver), in connection with travel between the employee's home and work, provided that 80% of the vehicle's mileage is reasonably expected to be for transporting employee from home to work or on trips where at least half of the adult seating capacity is filled by employees.

Tax Saving Benefits

Participants save between 15% - 40% on Federal, State, and FICA taxes on their Parking & Transit purchases.

Employers save 7.65% on matching FICA Taxes on all participant orders through WiredCommute.

Example of Employer Savings

The chart below illustrates employer tax savings from a WiredCommute Plan. It estimates the annual election amount at \$265 per month.

	Annual Election	Annual Employer Savings
10 Employees	\$31,800	\$2,432
50 Employees	\$159,000	\$1,216
150 Employees	\$477,000	\$36,490

WiredCommute Benefits

- No more elections
- No more scheduled payroll deductions
- No more accounts with ongoing balances

How does WiredCommute Work?

Participants log into our custom platform and place orders for commuter options such as, parking pass, token, or fare card.

BASIC pacific fronts the order money and then drafts funds from an employer general ledger bank account (pass through funding).

We send an email notification daily stating the total amount paid and the date on which funds will be withdrawn via ACH bank draft.

The employer then payroll deducts the expense from the participants pre-tax.

Employers are only charged administration fees for employees who place orders within a given month.

Order Deadlines

Employers set an order deadline of either the 1st or the 10th of the month for use in the following month.

Orders are processed and participants will receive their fare before the first day of the benefit month.

Additional Participant Benefits

- Participants can add money to their current transit payment cards (e.g. the Clipper Card, SmarTrip Card, METRA, or VENTRA).
- Participants only order what they need each month thus giving them maximum flexibility.
- Participants can set up recurring orders on the WiredCommute system, allowing them to "set and forget".

Orders that Exceed the IRS Pre-Tax Cap

If a participant orders more than the pre-tax maximum, the difference can either be deducted from pay on an after-tax basis, or the employee can charge the excess to a personal credit card.

Frequently Asked Questions

Q. Is a plan document required for Parking & Transit Plans?

A. No. However, the rules, regulations, and administrative processes must be provided to participants. So some form summary document is needed.

Q. Can a Parking & Transit Plan be combined with a cafeteria plan?

A. No.

Q. Are Parking & Transit Plans required to pass discrimination tests?

A. No.

Q. Does COBRA apply to Parking & Transit Plans?

A. No.

Q. Does HIPAA apply to Parking & Transit Plans?

A. No.

Q. Does ERISA apply to Parking & Transit Plans?

A. No. However, since the ERISA preemption is not available, state laws may apply.

Q. Does the employer have to file a Form 5500 for a Parking & Transit Plan?

A. No.



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