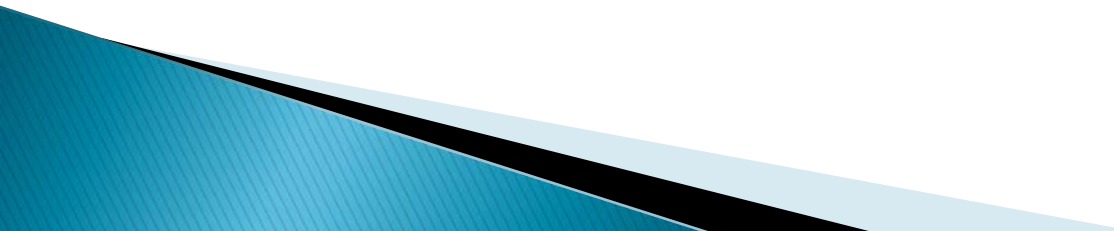


# Employer Transportation Benefits

Colin Boyle, CPA  
Boyle, Deveny & Meyer P.C.

# De minimis transportation benefits

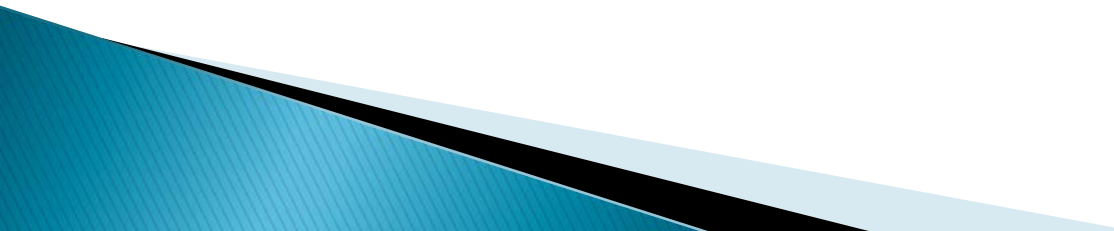
- ▶ De minimis – too trivial or minor to merit consideration
  - ▶ IRS – an employer can exclude the value of any de minimis transportation benefit it provides to an employee from the employee's wages. A de minimis transportation benefit is any local transportation benefit an employer provides to an employee if it has so little value (taking into account how frequently the employer provides transportation to its employees) that accounting for it would be unreasonable or administratively impracticable.
- 

# Practical Information

- ▶ What qualifies?
- ▶ How much?
- ▶ Benefits
- ▶ Documentation



# What type of transportation expenses qualifies?

- ▶ Commuter vehicle
  - ▶ Transit passes
  - ▶ Qualified parking
  - ▶ Qualified bicycle commuting reimbursement
- 

# Commuter Vehicle

- ▶ At least 6 seats not including the driver
- ▶ Expectation of 80% of vehicle mileage will be transporting employees from their homes to work



# Transit Pass

- ▶ Public or private mass transit
- ▶ Bus, rail, ferry...etc.
- ▶ If available transit passes must be purchased by the employer

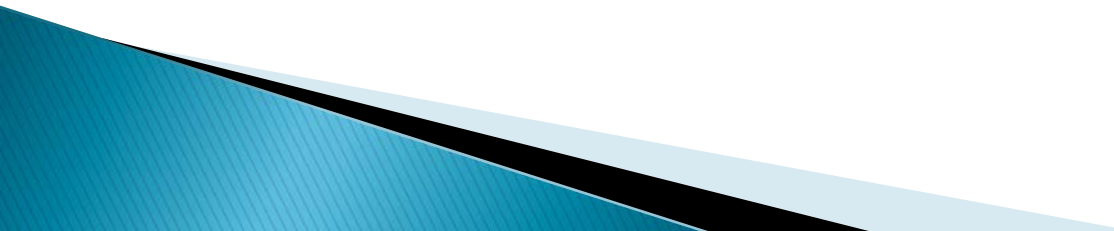
# Qualified Parking

- ▶ At or near employers office
- ▶ At or near employee's commuting location (not home)



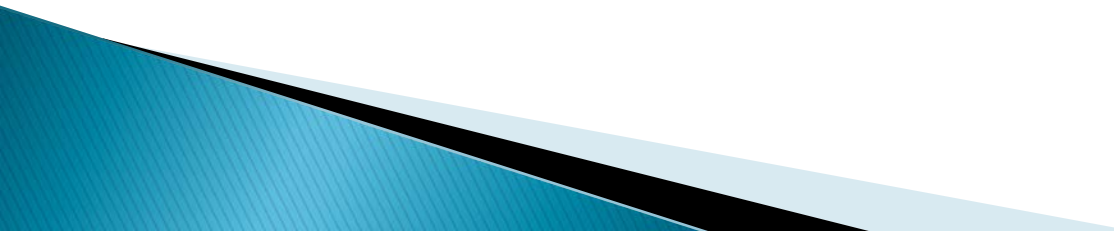


# Qualified Bicycle Commuting Reimbursement

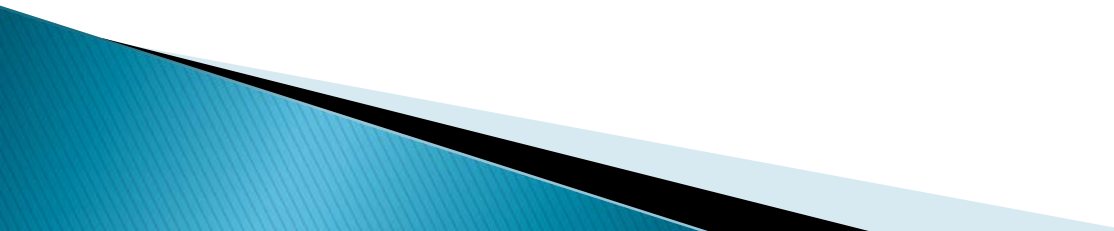
- ▶ Bicycle must be regularly use for commuting
  - ▶ Month by month
  - ▶ Reimbursable expenses
    - Purchase
    - Improvements
    - Repair
    - Storage
  - ▶ Can't be combined with other transportation benefits
- 



# How much?

- ▶ Commuter vehicle = \$130/month
  - ▶ Transit pass = \$130/month
  - ▶ Qualified parking = \$250/month
  - ▶ Bicycle reimbursement = \$20/month
- 

# Benefits

- ▶ EE Maximum: \$4,560/annual reimbursement (\$380/month)
  - ▶ EE Bicycle: \$240/annual reimbursement
  - ▶ ER FICA Savings: \$348.84 (annual)
  - ▶ ER Bicycle FICA savings: \$18.36 (annual)
- 

# Documentation

- ▶ Directly
- ▶ “Qualified” – IRS means receipts
  - Reimbursement arrangement

<h1 style="margin: 0;">Company Name</h1>		<h1 style="margin: 0; color: #0070C0;">RECEIPT</h1>	
1010-12 8 10-00001		DATE 6/6/2012	
BILL TO: 1001	ORDER NUMBER 01-07-20	BILL TO: 10	NAME Customer ID
FROM: 000-000-0000 Fax: 000-000-0000		ORDER ADDRESS City: 07 ZIP Phone: 000-000-0000	
RECEIPT NUMBER		ORDER TOTAL	
SERVICE PLAN		1000.00	
LEASE 3 YEARS at \$70/mo		270.00	
<div style="font-size: 100px; opacity: 0.3; transform: rotate(-30deg); position: relative;">             PAID           </div>			
RECEIPT TOTAL		1270.00	
1. Your payment due is \$1270.00		2. Please include the invoice number on your check	
3. Please include the invoice number on your check		TOTAL	
1270.00		1270.00	

# 2015 Potential Changes

- ▶ House Resolution 2288 – The Commuter Parity Act
  - Increase bicycle reimbursement maximum to \$35
  - \$220 for both parking and transit/commuter vehicle
- ▶ Senate Bill 1116 – The Commuter Benefits Equality Act
  - \$250 for both parking and transit/commuter vehicle