



Section 132 – Transportation Plan

About the Plan

- Allows employees to purchase employee benefits with PRE-tax dollars
- Employees decrease Federal and State income taxes, Medicare & OASDI
- 2% shareholder in S-Corporations may not be eligible unless considered an employee
- Unused balance credited to next year
- Employer provides these benefits directly or indirectly
 - **Directly** – Employer purchases transit passes
 - **Indirectly** – Vouchers purchased exchangeable for transit passes
- **Transit Passes**
 - Any pass, token, fare card or voucher on mass transit facilities
 - Any person in business of transporting persons for compensation in approved vehicles
 - \$105 maximum deduction for transit passes per month
- **Parking**
 - Near location where employee begins commute to work by means of other transportation services (e.g., Train station parking lot)
 - \$200 maximum deduction for parking per month

Advantages to Employer

- Employers avoid paying Medicare, OASDI and FUTA taxes on contributions
- More employee activity in plan translates into increased savings for employer

Let DPSI administer your Section 132 Plan

- Employees can view account balance through Employee Self-Service
- Verify validity and manage disbursement of expenses submitted by employees
- Continuous monitoring of plan for compliance with IRS regulations
- Printable reports detailing balances, deposits and disbursements