



## Reference Guide

## Your Commuter Benefit Plan

### Inside:

- ▶ How to Enroll
- ▶ Frequently Asked Questions
- ▶ Helpful Reminders
- ▶ Tax Benefits

Welcome to WageWorks. Here's how to

# Keep your savings rolling.

No matter what kind of public transportation you take to work, you'll ride smart. The program makes it easy to save on taxes and enjoy convenient, automatic payment and delivery features.

### Welcome to saving smart. Welcome to WageWorks.

Your Commuter Benefit Program is sponsored by the County of Los Angeles and brought to you by WageWorks — the nation's leading provider of consumer-directed savings and spending accounts.

WageWorks sets the standard for convenience and flexibility with easy access to your account, no-hassle payment options, comprehensive online tools, and expert support.

Millions of employees nationwide enjoy the WageWorks advantage to save money and make smart choices about their health care, dependent care, and commuter expenses.

# Welcome

Welcome to the County of Los Angeles Commuter Benefit Plan (CBP). The CBP is a qualified transportation benefit that is approved by the Internal Revenue Service (IRS). As a CBP participant, your eligible monthly commuting costs (up to IRS limits) will be deducted from your paycheck tax-free to pay for eligible transit and parking expenses. Taking these deductions before taxes saves you money because you are not paying Federal taxes, State taxes, and Hospital Insurance Tax (H.I.T.) on the wages used to pay for your transit expenses. These deductions are taken from your last paycheck of the month two months prior to the benefit month. There is an administrative fee taken as an after-tax deduction per month, currently \$3.74, to participate in the plan. As plan participation increases, the fee may be reduced.

This guide is designed to help you through the process of enrolling in and maintaining your CBP account, which is administered by WageWorks. This guide is divided into four sections:

- ▶ How to Enroll
- ▶ Frequently Asked Questions
- ▶ Helpful Reminders, and
- ▶ Tax Benefits

For additional assistance with the online enrollment process, please call WageWorks Customer Service at 1-877-924-3967 between 5:00 a.m. and 5:00 p.m. Pacific Time.



# How to Enroll

## Logging On to the Website

County of Los Angeles employees may enroll in CBP anytime throughout the year at [www.wageworks.com](http://www.wageworks.com).

There's no annual open enrollment period, so you can sign up or make changes whenever you choose—online or by phone. And because you can also cancel before the monthly cut off, unlike some other pre-tax programs, you don't need to worry about spending your account balance by the end of the year.

## How do you commute?

No matter how you get to work—if it costs money, the program can probably help you save. Use it for:

- ▶ Bus, light rail, regional rail, streetcar, trolley, subway, or ferry
- ▶ Parking
- ▶ Vanpool

## Questions?

Many of your questions may be answered in this guide. If you have additional questions or you would like to speak to a specialist who can help you take advantage of the program, call WageWorks Customer Service at 877-924-3967, Monday through Friday, from 5 a.m. to 5 p.m. Pacific Time.

### Sign up online

Just visit [www.wageworks.com](http://www.wageworks.com), or call 1-877-924-3967, Monday through Friday, from 5 a.m. to 5 p.m. Pacific Time.



# Frequently Asked Questions

## General Questions

**How can I save money with this program?** Employees participating in the program are not required to pay federal taxes, state taxes, and Hospital Insurance Tax (H.I.T.) on money that is used to pay for eligible commuting expenses. Assuming a combined federal taxes, state taxes, and HIT rate of 25%, **and a \$255 per month pre-tax payroll deduction for transit or parking, you can save a net of \$3,060 per year.**

Please see the Transit and Parking Tax Benefits Calculations on page 11 of this Reference Guide.

**Why is there an Administrative Fee?** The fee is paid by the participants in the plan on an after-tax basis through payroll deduction for costs to administer the program. The fee amount varies based on the total number of participants. As the number of participants increases, the amount of the fee may decrease.

**What other benefits does the Commuter Benefit Plan give me?** In addition to the tax savings, you will also benefit from the convenience of online ordering, automatic payroll deductions and home delivery. No more standing in line to buy tickets! Your monthly passes, tickets or desired fare will be sent directly to your home. You can also set up your order to be recurring, so you don't have to do anything until you want to cancel it or make a change.

**What commuting expenses can be paid with pre-tax dollars?** Public transit by bus, train, rail or subway, parking, and leased vanpools are all eligible pre-tax expenses.

**What expenses aren't included in this program?** Under the law, mileage, tolls, and

fuel are not part of this program. Business travel and bicycle commuting expenses are also not included in this program.

**How do I place my order?** You can place your order online using the ordering platform available through the [www.wageworks.com](http://www.wageworks.com) website.

**Do I need to submit any receipts?** No. You do not need to submit any receipts when ordering your passes.

**Can I order the exact pass that I use now?** WageWorks has made arrangements with area transit companies. Most likely, your transit provider will be listed on the ordering platform. If your transit provider is not listed, you can make a request through the ordering platform to have them added. Please refer to the Transit Questions section on page 5 for more details.

**After I enroll, where do I find information about my current elections?**

When logged in to your account, click on the Commuter tab. Your order is listed in the dashboard.

**How do I cancel or change my current transit or parking election?** Log in and choose your order from the dashboard on the Commuter tab.

- ▶ To cancel, just click the "Cancel" button.
- ▶ To change details such as amount, frequency or mailing address, follow the instructions and place your order.
- ▶ To change to a different type of pass, cancel your order and start over with a new one.

You'll receive an email confirmation as well as monthly reminders reflecting the change.

If you prefer to make changes by phone, call 1-877-924-3967, Monday through Friday, from 5 a.m. to 5 p.m. Pacific Time.

**Can I receive my transit order automatically each month?** Yes. When you create your order online, on the Pass Options page, you must click on "Every Month" in the Frequency section.

**What payroll deduction code will be used to pay for my transit expenses?** The most common deduction codes for the Plan are, ET001 Pre-Tax Transit, ET002 After-Tax Transit, ET101 Pre-Tax Parking, ET102 After-Tax Parking, and CBTA Admin. Fee.

**What happens if I transfer to another County department and I want to keep my payroll deduction?** Your transit enrollment will automatically be cancelled for the next following month after the effective date of your transfer. This is because your department code will change in the payroll system. If you wish to continue your transit pass, you must re-enroll and make a new order. For example: If you transfer effective May 15 to another County department, your enrollment will be canceled starting with your August transit pass. You must re-enroll before June 10, to receive your August transit pass.

**What if I won't need the public transit pass, TAP Cards, transit vouchers and/or other transit products available due to an illness, scheduled surgery or I leave County service?** If you no longer require commuter services, you must immediately cancel any future month enrollments online. If you miss the deadline for the month you no longer require services, contact WageWorks Customer Service to verify if your product type may be credited to your account. If it is available for credit, you must return the product by the deadline specified and a credit will be added to your account

for purchase of a future order use. Because the product is a pre-tax benefit, credits are not available for refund.

You may want to consider the WageWorks Transit Commuter Card, instead of a monthly pass, to add more flexibility in your public transit orders (see WageWorks Transit Commuter Card Q&A on page 6).

## Transit Questions

**Can I elect any amount for transit?** Yes. Orders up to the IRS benefit limit of \$255 per month for 2016 are tax-free. Any balances over the IRS limit will be taken as an after-tax deduction.

**I take the train and the subway to get to work. Can I sign up for both transit providers?** Yes. For this example, you must create two separate orders. Begin by selecting the first transit provider and follow all remaining steps including clicking "Order" to place the order. Then repeat the process by selecting the second provider. Both products will appear as current orders on your commuter dashboard.

**What if I do not know what type of Transit Pass I normally purchase?** After you select the Transit Authority you use, a table of available Transit Passes will display on the screen. If you are not sure what pass you normally purchase, you can visit the Transit Authority's website, by clicking on the Hyperlink at the top of the page or by contacting Customer Service at 1-877-924-3967.

**What happens after I submit my transit order?** Your transit order will be sent in the mail and received prior to the 1st of the benefit month.

**How do I change my delivery or email address?** Log in to [www.wageworks.com](http://www.wageworks.com), and click on "My Profile". From there, you may update your profile including your delivery address and email address.

**What happens if my transit pass rate increases?** If you have a recurring transit pass order and the transit pass rate increases, your order will be automatically updated to reflect the new rate. If you have provided an email address, the system will generate an email to notify you of the increase.

**What if my Transit Authority is not listed?** From the transit order screen, you can search for your provider at the bottom of the screen. If you still cannot find your provider, please contact Customer Service.

**What is the WageWorks Transit Commuter Card?** Transit Commuter Card is a bank-issued card you may use to pay for public transit. Keep in mind that the card cannot be used to pay fare directly. The card is used to buy monthly passes, ticket books, and tokens.

**How do vanpools work?** The vanpool must qualify as a "commuter highway vehicle." It must be a leased vanpool, owned and operated by public transit authorities or by private businesses. It cannot be a group of employees simply carpooling. The van must seat at least six adults (excluding the driver). At least 80 percent of the vehicle must be for transporting employees between their homes and workplace with County employees occupying at least one-half of the vehicle's seats (not including the driver's seat).

## WageWorks Transit Commuter Card

**What is the WageWorks® Transit Commuter Card?** The Transit Commuter Card is a reloadable transportation fringe benefit card. The Card is ONLY accepted at transit agencies or designated transit retail centers where only transit passes, tickets, fare cards, and vanpool passes are sold. The card can only be used for purchasing transit products under your Plan. You will receive one card seven to ten business days from the time you enroll in the plan. This card will be re-filled each benefit month you fund, eliminating the need of a new card each month.

**How can I obtain a Transit Commuter Card?** You can order the Transit Commuter Card through [www.wageworks.com](http://www.wageworks.com) or by calling Customer Service at 1-877-924-3967.

**How do I use the Transit Commuter Card?** The Transit Commuter Card is best suited for those transit agencies that have vending machines available. It is also accepted at designated retail centers where only transit passes, tickets, fare cards, and vanpool passes are sold. Use your Transit Commuter Card the same way you would use a credit card at your local transit agency; no Personal Identification Number (PIN) number is required. You can only use the Transit Commuter Card for commuter products as defined by the tax code that governs this benefit program.

**Should I choose "DEBIT" or "CREDIT" for a Transit Commuter Card transaction if asked?** You should choose "CREDIT" for any Transit Commuter Card transaction that requires the information. If a signature is required, then provide a signature as requested. "DEBIT" cannot be used because there is no PIN associated with the card.

**How do I activate my Transit Commuter Card?** You can activate your Transit Commuter Card by calling the toll-free number on the sticker attached to the front of the card.

**Can I load my personal funds onto the Transit Commuter Card?** No, Transit Commuter Cards are only reloaded based on your monthly benefit order through payroll deduction.

**How can I obtain card account information about my Transit Commuter Card?** You can obtain your card account balance and transaction history by visiting your online commuter benefit account at [www.wageworks.com](http://www.wageworks.com).

**When does the card expire?** Your Transit Commuter Card expires 36 months from being issued. A new card will be issued at that time.

**What happens if my Transit Commuter Card is lost or stolen?** Transit Commuter Cards should be treated like cash. If your card is lost or stolen, notify WageWorks immediately by calling 1-877-924-3967.

**What happens if I never receive my Transit Commuter Card?** If you did not receive your card in the mail before the beginning of the benefit month you ordered it for, notify WageWorks immediately by calling 1-877-924-3967.

**Can I use WageWorks Transit Commuter Card for my work-related expenses?** The Transit Commuter Card is a stored valued card that works like a credit card at transit agency ticket vending machine and ticket windows. It can only be used for transit expenses incurred to and from work.

**Can I use the Transit Commuter Card to pay for bridge and highway tolls?** No. The IRS limits the use of these funds to pay for public transportation and vanpools only.

**How can I close my Transit Commuter Card account if I no longer need to use the card?** To close your card account, please call 1-877-792-3967 and speak with a WageWorks Customer Service representative.

**Is there a cost to close my Transit Commuter Card account?** No.

**What if I have Commuter Card questions?** To speak with a specialist, call WageWorks Customer Service at 1-877-924-3967, Monday through Friday, from 5 a.m. to 5 p.m. Pacific Time.

## Parking

**What parking expenses are eligible?** Your work-related parking expenses are covered:

- Parking at or near your workplace
- Parking at or near public transportation used to get to work
- Parking at or near a Park-n-Ride facility used to get to work

This program does not cover the parking expenses of your spouse, domestic partner, dependent child or any other person.

**What is the federal pre-tax limit for parking?** For Calendar Year 2016, Federal tax allows an employer to provide up to \$255 per month to an employee for work-related parking. Any amount over \$255 will be applied as an after-tax deduction.

**What happens to the balance on my Parking Commuter Card if I no longer work for my current employer?** You will no longer have access to the funds on your Parking Commuter Card after your separation date. Pre-tax parking deductions must be used for work-related parking expenses and you can no longer have work-related parking expenses after your separation date. Any after-tax balances on your card will be returned to you by check or direct deposit. Any pre-tax balances



will be removed from the card. Internal Revenue Service rules prohibit employers from returning pre-tax deductions to employees.

**What happens to the parking account balance on my Parking Commuter Card at the end of each month?** Any unused balance will remain on your card for future use. However, the maximum amount that can be put in your pre-tax parking account on your card is \$255 per month, which is the current Federal pre-tax parking limit for 2016 parking expenses.

## Deadlines/Cut-off dates and Forfeitures

### **What are the deadlines to order, change or cancel my benefit election?**

The deadline for ordering, changing or canceling your transit benefit is the 10th of the month two months before the benefit period.

**Example:** For Commuter Benefit effective in July, you must place your order, change or cancel by May 10, with deductions taken on May 30.

### **If I order now, can I make changes later?**

Yes. You may change your order at any time prior to the cutoff date. The cutoff date is the 10th of the month, two months before the transit effective month. For example: Changes or cancellations made by May 10 will be effective on the May 30 paycheck; for the benefit month of July.

### **What happens to the CBP deductions that are taken from my paycheck?**

CBP deductions are credited to a record-keeping account and used to purchase the transit benefit you requested.

### **Is the parking at my train station or bus stop a parking expense or transit expense?**

Parking at a train station or bus stop that is part of your commute to work is considered a parking expense under the pre-tax commuter benefit program.





**How do I submit claims for a Pay Me Back reimbursement?** You must first have an election set up to have funds for your Parking Expense withheld on a pre-tax basis. This must be done prior to submitting a claim.

After your Pay Me Back election for Parking has been processed for a particular benefit month, you can click on the Submit Receipt or Claims button on the Dashboard page on the Participant site. You will then have the option to submit a claim online or via paper if you have receipts or if your parking provider does not provide receipts.

**How long do I have to submit claims for reimbursement for my parking expenses?** You have six months following the end of the benefit month to file claims to get reimbursed from your Pay Me Back account.

Be sure to check the deadline for each benefit month on the Pay Me Back Account Activity page for this account. If you have a balance remaining after the deadline, you will receive a credit in that amount.

## Lost/Missing Passes or Vouchers

**What happens if I do not receive my transit order?** If you have not received your transit order in a timely fashion, please contact the Customer Service at 1-877-924-3967 by the 3rd of the benefit month.

**What if I receive the wrong pass in the mail?** Contact Customer Service at 1-877-924-3967 as soon as you receive the incorrect pass. You will need to purchase a replacement pass, then send a copy of your receipt and the incorrect pass to WageWorks to receive credit applied to

your account. Please be sure not to use the incorrect pass in any manner because it may not be eligible for credit if used.

**What if I receive my pass, then lose it?** You will be responsible for purchasing a replacement pass directly from the transit company.

**What should I do if my Transit Pass has not arrived by the last day of the month prior to the benefit month?** First, check the accuracy of the delivery address shown either in your confirmation email or on the "Edit Profile" link on the ordering platform. Only one replacement at no cost is allowed per year if the pass is not received due to your own error (such as providing an incorrect mailing address). You will be responsible for purchasing any further replacement passes.

Instructions for receiving reimbursement for the purchase of a replacement pass:

1. Call 1-877-924-3967 to report the loss no later than the 3rd business day of the month for which the pass is effective. A Special Handling Form will be sent to you.
2. Purchase the replacement pass directly from the Transit Agency.
3. Send the following two pieces of documentation to WageWorks (documentation MUST be received by WageWorks by the 10th of the month for which the missing or late pass was intended to be used):
  - a) A receipt of your purchased replacement pass, AND
  - b) A completed "Special Handling Form". Return the form by following the instructions on the form.

# Helpful Reminders

## Deadlines are Important!

The deadline to order, change or cancel your elections for transit and parking passes and vouchers is important. Remember that the deadline is the 10th of the month, two months prior to the transit effective month.

**Example:** For changes to your July Commuter Benefit, you must make your changes by May 10.

## Manage Your Benefit Election

Reviewing your benefit election is easy. Just log on to [www.wageworks.com](http://www.wageworks.com), click "Commuter," and choose the election you wish to review. Your benefit election does not occur automatically each month unless you designate it as a "Every Month" order.

## If you Have Questions...

Customer Service Specialists are available to answer your questions before, during, and after you enroll. They can also walk you through the online process. Call Customer Service at 1- 877-924-3967 to speak with a specialist, Monday through Friday from 5 a.m. to 5 p.m. Pacific Time.

### The Commuter Benefit Plan Timeline Is:

- ▶ **Month 1:** "Enrollment Period" (by the 10th of the enrollment period) and "Payroll Deduction" (taken from the 30th paycheck),
- ▶ **Month 2:** "Transit Passes Mailed" by end of month, and,
- ▶ **Month 3:** "Transit Passes Effective" on the 1st of the month.



# Tax Benefits

## Employee Savings for Transit at \$255 per Month = \$3,060 per year

(The savings are an estimate only and the amount of savings will vary depending on the individual.)

Federal Income Tax Brackets (25% is most common)	10%	15%	25%	30%	35%	40%	45%
Federal Income Tax Saved	\$306.00	\$459.00	<b>\$765.00</b>	\$918.00	\$1,071.00	\$1,224.00	\$1,377.00
Medicare (1.45%)	\$44.37	\$44.37	<b>\$44.37</b>	\$44.37	\$44.37	\$44.37	\$44.37
State Income Tax (Assume 9.55%)	\$292.23	\$292.23	<b>\$292.23</b>	\$292.23	\$292.23	\$292.23	\$292.23
Gross annual Total Tax Savings	\$642.60	\$795.60	<b>\$1,101.60</b>	\$1,254.60	\$1,407.60	\$1,560.60	\$1,713.60
Less Annual Administrative Fees (\$3.74 per month)	\$44.88	\$44.88	<b>\$44.88</b>	\$44.88	\$44.88	\$44.88	\$44.88
Net Annual Savings	\$597.72	\$750.72	<b>\$1,056.72</b>	\$1,209.72	\$1,362.72	\$1,515.72	\$1,668.72
Percent Saved	20%	25%	<b>35%</b>	40%	45%	50%	55%

## Employee Savings for Parking at \$255 per Month = \$3,060 per year

(The savings are an estimate only and the amount of savings will vary depending on the individual.)

Federal Income Tax Brackets (25% is most common)	10%	15%	25%	30%	35%	40%	45%
Federal Income Tax Saved	\$306.00	\$459.00	<b>\$765.00</b>	\$918.00	\$1,071.00	\$1,224.00	\$1,377.00
Medicare (1.45%)	\$44.37	\$44.37	<b>\$44.37</b>	\$44.37	\$44.37	\$44.37	\$44.37
State Income Tax (Assume 9.55%)	\$292.23	\$292.23	<b>\$292.23</b>	\$292.23	\$292.23	\$292.23	\$292.23
Gross annual Total Tax Savings	\$642.60	\$795.60	<b>\$1,101.60</b>	\$1,254.60	\$1,407.60	\$1,560.60	\$1,713.60
Less Annual Administrative Fees (\$3.74 per month)	\$44.88	\$44.88	<b>\$44.88</b>	\$44.88	\$44.88	\$44.88	\$44.88
Net Annual Savings	\$597.72	\$750.72	<b>\$1,056.72</b>	\$1,209.72	\$1,362.72	\$1,515.72	\$1,668.72
Percent Saved	20%	25%	<b>35%</b>	40%	45%	50%	55%

## Your Employer and WageWorks

This program is sponsored by the County of Los Angeles and brought to you by WageWorks—the nation’s leading provider of consumer-directed savings and spending accounts. WageWorks sets the standard for convenience and flexibility with easy access to your account, no-hassle payment options, comprehensive online tools, and expert support. Millions of employees nationwide enjoy the WageWorks advantage to save money and make smart choices about their health care, dependent care, and commuter expenses.



Commuter Benefit Program

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