



Plan Year 2022

# Qualified Transportation Benefit Program: Guidelines

NRI, Inc

Under Internal Revenue Service Regulation Section 132(f), NRI, Inc. will allow eligible employees to deduct up to \$280.00 per month on a pretax basis for qualified transit expenses and up to \$280.00 per month on a pretax basis for qualified parking expenses.

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Eligibility

- Employees are eligible to participate the first of the month after 30 days of employment
- You can elect or change this benefit at any time after 30 days of employment

How it works

- You direct NRI, Inc. to reduce your salary for Transit and/or Parking.
- Reductions for Transit occur the month prior to the benefits in approximately equal installments each payroll.
- Reductions for Qualified Parking Reimbursement occur in approximately equal installments each payroll.

Types of Benefits

You can use 2 different benefits

- Qualified Transit Benefit
  - NRI uses SmartBenefits' prepaid SmarTrip card to provide transit benefits.
  - Deductions are applied to your SmarTrip card
- Qualified Parking Benefit:
  - SmartBenefits can be used to park at a metro station.
  - Qualified Parking Reimbursement is used to reimburse you for parking expenses.

Deductions

- NRI pays for SmartBenefits in advance, therefore deductions are taken the month prior to the month they are applied to your SmarTrip card in approximately equal installments each pay.
  - Example: SmartBenefits funds are available on your SmarTrip card August 1. NRI deducts and pays the

funds to SmartBenefits in July.

- Parking Reimbursement is done after the expense has occurred. The deductions for this benefit are taken the month the expense occurs in approximately equal installments each pay.

Contributions

The contribution amount established with your application can be changed throughout the year.

*SmartBenefits Account*

- Qualified Transit Benefit
  - The maximum you can reduce your salary for Qualified Transit Expenses is \$280.00 per month.
- Qualified Parking Benefit
  - The maximum you can reduce your salary for Qualified Parking Expenses is \$280.00 per month.
- These are two different accounts under SmartBenefits and you may contribute \$280.00 to each. Funds are NOT transferable between accounts.

*Qualified Parking Reimbursement*

- The maximum you can reduce your salary for Qualified Parking Expenses is \$280.00 per month.

Amounts are not transferable between SmartBenefits and qualified parking reimbursement.

## Due Dates

### *SmartBenefits*

- Applications and changes for the SmartBenefits program **received by the 15<sup>th</sup>** will be processed for the next month. Anything received after that date will be processed for the month following the next month.

**Example:** An application to enroll received by August 15<sup>th</sup> would be processed to begin on September 1. An election to enroll received by August 16<sup>th</sup> would be processed to begin on October 1.

### *Qualified Parking Reimbursement*

- Applications and changes for parking **received by the 1<sup>st</sup> of the month** will be processed for **that month**; anything **received after the 1<sup>st</sup>** will be processed the following month.
- Claims are reimbursed monthly. Any claims **received by the 8<sup>th</sup> of the month** will be reimbursed on the 15<sup>th</sup>. Claims **received after the 8<sup>th</sup> of the month** will be reimbursed the following month.
- Claims are submitted to the Controller using the Qualified Transportation Benefit Program: Itemized Reimbursement form.

## Excess Amounts Spent or Contributed

- Amounts you do not use will rollover from month to month and year to year.
- Expenses exceeding the monthly amount allowed by the plan cannot be reimbursed even if there are funds available to you
  - **For example:** Employee Joe elects to reduce his monthly income by \$280 per month for parking. Employee Joe incurs \$230 in parking expenses and is reimbursed \$230, leaving \$50. The following month, Employee Joe incurs \$290 in parking expenses and is reimbursed \$280, leaving \$50. Although he had \$330 available (\$50 remaining from the first month plus the \$280 contributed for the second month), Employee Joe can only be reimbursed a maximum of \$280 per month.
- Funds remaining after employment termination or plan termination will be forfeit. Any expenses up to and including the day of termination will be eligible for reimbursement.

## Eligible Expenses

Eligible Expenses must be:

- Qualified Parking eligible expenses must be for parking situated on or near:
  - the business premises of the employer
  - the location from which the employee commutes to work in a commuter highway vehicle or carpool
  - Or, the location where the employee boards public transportation such as buses or metro.
  - For month(s) already occurred, but not prior to the first month's election. (i.e. if the first deduction from your paycheck is taken in March, you cannot submit for expenses incurred in February.)
- Qualified Transit eligible expenses must be for transit to and from the business premises of the employer.

## SmartBenefits Programs

- If you elect to participate in this program, the amount you allocate will be available at the first of each month for you to claim with SmartBenefits' Autoload program.
- With Autoload, your benefit will remain in an account and, like a debit card, your SmarTrip card will access the account and deduct the fare or parking fee when you tap your card to a Metrorail faregate, bus farebox or Metro parking target.
- If you're not a regular commuter you **must** use your SmarTrip card **at least once in the two weeks prior** to your first benefit month. This prepares your card to access the account.
- For a list of SmartBenefits partners please go to <https://www.wmata.com/service/regional-transportation/>

## Summary

- **Pros:**
  - Save on expenses you will incur anyway. The amount saved comes back to you in the form of lower taxes.
  - Money remaining each month rolls over continuously from month to month and year to year.
- **Cons:**
  - The IRS has set a maximum on the amount that can be reimbursed for any one month - \$280 for parking expenses and \$280 for transit expenses.
  - After termination of employment, funds can only be refunded for expenses incurred while employed.

If you have any questions please contact the Controller.

As with all employee benefit plans, NRI, Inc. may from time to time, with or without notice, alter or amend its package of benefits.



## 2022 Qualified Transportation Benefit Account: Application

I, \_\_\_\_\_ hereby elect to participate in the Qualified Transportation Benefit Program. I wish to reduce my monthly salary as indicated below.

### SmartBenefits

Qualified Transit Benefit (Show split below) \$ \_\_\_\_\_ per month (max \$280.00)

Transit \$ \_\_\_\_\_

Transit Pass \$ \_\_\_\_\_

Qualified Parking Benefit (Parking at Metro Station) \$ \_\_\_\_\_ per month (max \$280.00)

**IF using the SmartBenefits Program you must register your SmarTrip card on the WMATA website**

SmarTrip Card Serial Number \_\_\_\_\_

**Qualified Parking Reimbursement** \$ \_\_\_\_\_ per month (max \$280.00)  
(Parking on work premises or vehicle highway/carpool location)

I understand that:

- My compensation will be reduced by the amount set forth above, in approximately equal installments each pay. For the SmartBenefits Program my compensation will be reduced the month prior to the funds being available on my SmarTrip card.
- SmartBenefits and parking reimbursements will be available only for qualifying expenses as described in the IRS Regulation 1.132-9.
- I can change or revoke this compensation reduction agreement at any time in writing, but must allow reasonable time for NRI, Inc. to act on the request.
- NRI Inc. may reduce or cancel my compensation reduction, limit my reimbursements, or otherwise modify this agreement in the event the Administrator believes it advisable in order to satisfy certain provisions of the Internal Revenue Code.
- The coverage amount(s) elected above for SmartBenefits will be credited to my SmarTrip card for Qualified Transit and/or Qualified Parking up to the IRS maximum amount for my qualifying expenses incurred each month.
- I will be reimbursed for the coverage amount elected above for Qualified Parking Reimbursement, up to the IRS maximum amount for my qualifying expenses incurred each month.
- Any funds remaining for my Qualified Parking Reimbursement benefit shall accrue month to month only to be reimbursed to me for qualified expenses.
- Should my employment with NRI, Inc. be terminated for any reason and I do not turn in valid receipts by the last day of the calendar month following my termination, any unused amounts will revert back to the assets of NRI, Inc.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

