



A UnitedHealthcare Company

## Transportation benefit plans

A valuable option for employers

**With the rise in gasoline prices, more employers are using UMR's transportation benefit plans as a means of reducing expenses for their employees. These valuable benefits help relieve the burden of work transportation for employees while providing a retention benefit for employers.**

The benefits are made possible under the Transportation Equity Act for the 21st Century. The act provides that employees who receive cash for transportation to and from work (or transportation passes or tickets) will not be deemed to have received these benefits as taxable income. UMR provides full administration of transportation benefit programs for employers everywhere.

### Benefits you can offer employees

**Van Pooling** – Transportation to and from work and an employee's residence, but only if a "commuter highway vehicle" is used. This term is limited to a highway vehicle with a seating capacity of six or more adults (not including the driver). At least 80 percent of the mileage use of the vehicle must be reasonably attributed to transporting employees between work and residences. The number of employees carried on these trips must be equal to at least half the seating in the vehicle, excluding the driver.

**Transit Passes** – Includes any pass, token, fare card, voucher or similar item that entitles the employee to transportation or to a reduced fare, providing the transportation is on mass transit facilities, or provided by an entity in the business of transporting people.

### UberXShare Car Service App –

This app is an on-demand shared ride service that connects the rider to a driver, in addition to other riders who are headed in the same direction. Uber services not associated with UberXShare are not covered.

**Qualified Parking** – Parking provided to an employee on or near the business premises of the employer, including locations near to which an employee commutes to work by van pooling, in a commuter highway vehicle or a car pool. It does not include parking at or near an employee's residence.

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Your employees can receive nontaxable compensation for parking and mass transportation through UMR's transportation benefit plans.



## Limitations

The limitation on parking fees is determined by the IRS. For transit passes, car service apps and van pooling, there is an aggregate limit allowed per month.

## News from Congress!

This benefit is not subject to the restrictions applicable to cafeteria plans under Section 125, such as nondiscrimination testing and limitations on revocation of employee elections.

To learn more, please contact your UMR representative.



**Please note:** Employees can now use their UMR debit card to pay transportation and parking expenses.



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