



U.S. Department of  
Transportation  
Office of the Secretary  
of Transportation



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## **TRANSServe TRANSIT BENEFIT PROGRAM BULLETIN**

**Bulletin No:** TSB-2014-03

**Date:** December 5, 2013

**SUBJECT:** 2014 Transit Benefit Monthly Statutory Limit set at \$130

**PURPOSE:** This Bulletin provides guidance regarding a change in the statutory limit of the monthly transit benefit for 2014 for TRANSServe customers and their participants.

**BACKGROUND:** A provision of Executive Order 13150, Federal Workforce Transportation, dated April 22, 2000, requires that Federal agencies implement a transportation fringe benefit program that offers qualified Federal employees the option to exclude from taxable wages and compensation employee commuting costs incurred through the use of mass transportation and vanpools, not exceed the maximum level allowed by law.

The American Taxpayer Relief Act of 2012 increased the Internal Revenue Service (IRS) exclusion from income for mass transit to be in parity with parking benefits and set the monthly maximum statutory limit at \$245. This provision sunsets on December 31, 2013.

**INFORMATION:** Internal Revenue Bulletin 2013-47, Section 3.16, *Qualified Transportation Fringe Benefit*, [http://www.irs.gov/irb/2013-47\\_IRB/ar11.html](http://www.irs.gov/irb/2013-47_IRB/ar11.html) sets the monthly tax free commuting costs at \$130 effective January 1, 2013.

The transit benefit provided to eligible federal employees is calculated on a monthly basis as required under 26 CFR § 1.132-9, and as such, employees are not permitted to accumulate benefits in excess of their actual monthly commuting costs or to use accumulated benefits to offset commuting costs in subsequent months. Furthermore, overestimating transit costs, giving or selling transit benefits to others, or purchasing transit benefits from unauthorized sources is prohibited.

**REQUIRED ACTION:** No Action is necessary if your certified monthly commuting costs are greater than \$130.00. TRANSServe will adjust the transit benefit to the monthly maximum statutory limit of \$130.00 for the transit benefit starting January 1, 2014.

**CONTACT:** For more information, please contact your Transit Benefit Manager.