



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



TRANSServe TRANSIT BENEFIT PROGRAM BULLETIN

BULLETIN #: TSB-2016-05

DATE: December 31, 2015

SUBJECT: **Transit Benefit Monthly Statutory Limit Increase to \$255**

PURPOSE: This Bulletin provides notification and guidance regarding a change in the statutory limit of the monthly transit benefit for calendar year 2016.

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 to exceed the maximum level allowed by law.

For calendar 2016, the maximum mass transit exclusion from income has been set by the Internal Revenue Service (IRS) at \$255. IRS Publication 15-B, Employer's Tax Guide To Fringe Benefits, dated December 23, 2015 at <https://www.irs.gov/pub/irs-pdf/p15b.pdf> provides the relevant information on the transit benefit exclusion rules on pages 18 and 19.

INFORMATION: The Consolidated Appropriations Act, 2016 increased the monthly transit benefit exclusion from \$130 per participating employee to \$250 for the period January 1, 2015 through December 31, 2015. For agencies providing amounts over \$130 in calendar year 2015, the tax treatment for amounts provided should be reviewed within your agency. See page 2 of IRS publication 15-B.

REQUIRED ACTION: Notify your TRANSServe Transit Benefit Manager of your agency's implementation timelines. Ensure participants' certified monthly commuting costs are current. If changes are necessary, participants must submit a recertification application through their agency Point of Contact to TRANSServe.

CONTACT: If you have questions about this bulletin, please contact your Transit Benefit Manager..