



State of Connecticut

Qualified Transportation Account (QTA)

Plan Summary Fact Sheet

The State of Connecticut recognizes that it has become increasingly difficult to pay for transits related expenses while you are a State employee. It is for this reason that the Office of the State Comptroller, under the provisions of C.G.S. Section 5-141(e), makes the QTA, formerly known as the Transportation Fringe Benefit Program, available to you. The QTA offers significant tax advantages in helping you pay for qualified commuter expenses. The State has teamed up with Progressive Benefit Solutions (PBS) to serve as the State's third party administrator.

HIGHLIGHTS OF THE QTA

ELIGIBILITY

The State of Connecticut QTA is available to all full time active employees working at least half time (0.5 FTE – Full Time Equivalent) that commute to and from work using public transportation or incur parking expenses.

ADVANTAGES OF THE QTA

The QTA is a valuable component of the State of Connecticut employee benefit program. Regulated by the Internal Revenue Services (IRS), this program lets you pay for eligible transportation and parking expenses with pre-tax dollars. In other words, the money you deposit into the QTA will never be taxed. That saves you money on every dollar you set aside. You can save as much as 30% on transportation and parking expenses by participating. To estimate your tax savings based upon your participation see our savings calculator at www.ctpbs.com

PROGRAM PARAMETERS

The QTA, governed by Internal Revenue Code (IRC) Section 132, is a monthly benefit which enables pre-tax dollars to be used for eligible transit and parking expenses related to your regular daily direct commute from home to work and return via public transit and/or for your regular daily cost of parking on or near your work location.

The IRS sets the maximum limits on a yearly basis. For 2009, the monthly limits are:

- Qualified Transit (passes, commuter highway vehicle, railroads, suburban & local commuter passenger expenses, including ferries, buses, and other transportation services) - \$230
- Qualified Parking (automobile parking lots & garages) - \$230
- Participation in both of these accounts is permitted; however, the funds cannot be transferred between accounts.
- The minimum amount you may contribute to the QTA is \$10 per pay period.
- Note that expenses are limited to employee expenses only, spousal or dependent expenses are not allowed

Since the QTA is a monthly benefit, elections can be changed on a monthly basis and any unused monthly expenses may be carried over to the following months. It is important that participants ensure that their monthly deductions match their QTA expenses otherwise upon retirement or termination from employment any funds remaining in the account may become forfeited.

EFFECT ON OTHER BENEFITS

Your enrollment in the QTA may reduce your financial participation in the Deferred Compensation (Section 457), Tax Sheltered Annuities (Section 403(b)), Social Security Entitlement and/or Retirement Benefit Plans. Although this reduction may be minimal, consult with a tax advisor for further details on your potential reduction.

ENROLLMENT

To enroll or make a change to the QTA you must complete a QTA Compensation Reduction Agreement Form by the first of the previous month in which you wish to enroll or make a change. For example, if you want your enrollment or change to be effective for the month of October 2009, your QTA Compensation Reduction Agreement Form must be received by September 1, 2009. You may also download the form directly from the OSC web site www.osc.state.ct.us or the PBS web site www.ctpbs.com or contact PBS at 1-866-906-8023.

CLAIM REIMBURSEMENT

Claim submission deadline is 180 days from the date the expense is incurred.

To facilitate reimbursement of QTA expenses, participants have the option of electing a Prepaid Benefits Card issued by PBS through the Benny™ Prepaid Benefits Card Program, to pay for qualified parking and transit expenses anywhere a MASTERCARD™ credit card is accepted. Your payroll deductions will be automatically loaded to your card and available for reimbursement based on your contribution elections. Through the

use of the Prepaid Benefits Card, your funds will be automatically withdrawn from your account with the swipe of the card. You will be reimbursed up to the amount in your QTA at the time of card swipe. If your claim exceeds the amount in your QTA, you will need to submit a manual claim reimbursement request (detailed below).

The card contains separate fund reservoirs or “purses” for parking and/or transit expenses from which your incurred expenses will automatically be deducted for each account. IRS provisions for recurring expense processing requires that an initial claim be submitted and substantiated manually after which subsequent transactions can be automatically substantiated without the need of receipt submission.

If you choose to participate with the Prepaid Benefits Card, you must complete the Prepaid Benefits Card Election section on the Compensation Reduction Agreement Form. Forms must be received by the first of the previous month in which you wish to participate with the card otherwise card activation will begin during the next month.

In those cases where you are unable to use your Prepaid Benefits Card or if you chose not to participate with the Prepaid Benefits Card option, you must first pay for your QTA expenses, then submit a Claim Reimbursement Form to PBS for processing. Claim Reimbursement Forms may be downloaded through the PBS web site and must be submitted directly to PBS for reimbursement by mail or through the use of the on-line facility at www.ctpbs.com. You will be reimbursed up to the amount in your QTA at the time of claim processing. If your claim exceeds the amount in your QTA, you will be reimbursed for the amount of your balance. As your account is replenished, reimbursements will be issued until your entire claim is paid out to you. The minimum amount that can be reimbursed at any given time is \$20. Manual reimbursements are processed on a weekly basis.

If you choose the manual reimbursement method, you may request your QTA reimbursements be paid via direct deposit into your account. Simply access the PBS web site: www.ctpbs.com to enroll in this option.

Since QTA's are IRS regulated benefits, participants need to save all receipts in the event that PBS or the IRS requires verification of expenses.

ADDITIONAL ASSISTANCE

To learn more of the specific requirements of the QTA, access the OSC web site: www.osc.state.ct.us or the PBS web site: www.ctpbs.com and click on the Education Center Box. You may also contact Progressive Benefits Solutions (PBS) toll free at 1-866-906-8023.

