



NYU Commutation Expense Reimbursement Accounts

The Commutation Expense Reimbursement Account (CERA) program allows you to reduce your taxable salary to assist you in covering the cost of your commutation expenses to and from your NYU work site.

Eligibility

All full-time regular employees are eligible.

Plan summary

There are two types of CERAs:

Mass Transit

Parking

You can set aside money from your paycheck on a pre-tax basis to pay for eligible mass transit and parking expenses. The amount you set aside is placed in the type of account (parking or mass transit) you choose to open. You can then reimburse yourself for commutation expenses you incur during the calendar year, up to the lesser of the amount deducted from your paycheck for that month or the IRS monthly maximum.

Making contributions

Each fall, during the designated open enrollment period, you can elect to contribute a certain amount of your next calendar year's salary to one or both of the accounts, based on what you estimate your expenses will be in the upcoming year. During the calendar year, the amount you allocate to your account is deducted from each paycheck before taxes are calculated and deposited into your CERA.

Once you have enrolled, you can change your contribution amount to your CERA throughout the year.

Elections do not roll over from year to year so you must elect an account for the upcoming year even if you want to set aside the same amount as the current year.

Contributions will end when you go on an unpaid leave of absence or if you leave the University. In addition, no retroactive contributions will be taken for missed paychecks.

If you decide you would like to open a CERA account after the designated open enrollment period has ended you must fill out the Commutation Expense Reimbursement Enrollment/Change Form.

How much can I contribute to these accounts?

Under the program, you may contribute the following amounts in 2006:

Mass Transit:

Maximum: \$105 per month

Minimum: \$10 per month

Parking

Maximum: \$205 per month

Minimum: \$10 per month

Note: The IRS sets the maximum contributions above. You cannot be reimbursed for more than the IRS maximum contribution in any given month even if there are additional funds in your account.

Taxes

What commutation expenses are eligible for tax-free reimbursement?

In order for expenses to be eligible for tax-free reimbursement, they must be incurred only for the purpose of commuting between your residence and your work site.

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Mass Transit Commutation Expense Reimbursement Account:

Eligible Expenses: To qualify for pre-tax reimbursement, expenses for mass transit must be incurred for traveling to and from work via mass transit or in a commuter vehicle that seats at least six adults plus a driver. The most common examples are bus, train, ferry, and subway.

Ineligible Expenses: Expenses incurred for traveling to and from work by taxi, car pool, and limousine do not qualify for reimbursement from a Mass Transit CERA.

Parking Commutation Expense Reimbursement Account

Eligible Expenses: To qualify for pre-tax reimbursement, expenses for parking must be incurred either near your work site or at a location where you commute via qualified mass transit (e.g., park and ride).

Ineligible Expenses: Expenses incurred for parking anywhere other than the eligible locations cited above do not qualify for reimbursement from a Parking CERA.

Can I open both a Mass Transit CERA and a Parking CERA?

Yes. You may open both accounts if you incur both mass transit and parking expenses associated with your commute to work.

What should I do if I expect to be away from work for part of the year or my commutation arrangement changes?

When you enroll in the program, you should anticipate your commutation costs carefully for the upcoming year. However, you may change your election amounts, start or stop future contributions whenever you would like. Any change will be applied to the next available paycheck based on payroll deadlines. You can make a change by completing a CERA Enrollment/Change form and submitting it to the NYU Benefits Office.

Getting reimbursed

How do I get reimbursed from the CERAs?

In order to receive your reimbursement from your CERA, you must submit a claim for reimbursement. You can download a claim form. You can reimburse yourself on a monthly basis for commutation expenses incurred during the calendar year.

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Is there a limit to how much I can be reimbursed from my CERA each month?

You can be reimbursed up to \$105 per month from the Mass Transit CERA and up to \$205 per month from the Parking CERA or up to your monthly deduction. These limits are set by the IRS and can change in the future.

Do I need to provide receipts?

Yes. Appropriate documentation of your expenses must be submitted with the claim form.

Documentation may be:

- Receipts that indicate the date, time, place, and amount of the expense;
- Canceled checks (payable to a mass transit provider or parking facility);
- Copies of fare cards, vouchers, passes, etc.; or
- Used fare cards, vouchers, passes, etc.

If you travel to work by a mode of transit for which a receipt, fare card, ticket, or other physical evidence is not provided, your signature at the bottom of the claim form is an affidavit that these are legitimate expenses.

Note: If a receipt can be obtained for the mode of transportation you use, you must provide one.

Is there a deadline for submitting CERA claims?

You have until January 31 of the following calendar year to submit claims to your CERA for reimbursement of mass transit and/or parking expenses you incur in the current calendar year. Funds remaining in your account can only roll over into your account for the following year if you elect participation in the CERA for the following calendar year during the open enrollment period.

If you do not elect a mass transit or parking account for the following calendar year during open enrollment and you don't file a claim by January 31, your balance will be held over into the next calendar year. This holding of funds does not mean that you are enrolled in the plan. It is a means for you to use funds remaining in your account from the previous year. If you do not claim those funds by December 31 of that following year, the funds will be forfeited.

Can I reimburse myself from the CERA(s) for the commutation expenses of other family members in my household?

No. CERAs are only for the expenses of the NYU employee when commuting to and from work. Thus, for example, expenses for parking at or near your residence, which are not related to your commute to and from your NYU work site are not eligible under the program. (For example, expenses for parking your car in a garage near your home in New York City are not eligible.)

Contact

For questions concerning claim payments contact the NYU CERA Program administrator.
Employee Benefit Plan Administration, Inc. (EBPA)
P. O. Box 1140
Exeter, NH 03833-1140
Email: FSAdepartment@ebpanh.com or
Phone: 1-800-258-7298, press "2"

For question about the program or changes to your enrollment contact the NYU Benefits Office.