



<b>Policy Number:</b>	5521-27	<b>Policy Section:</b>	Institutional Support
<b>Original Effective Date:</b>	2/1/2021	<b>Policy Title:</b>	Transit Benefit Program
<b>Date Last Revised:</b>	(new)	<b>Department:</b>	Human Resources

**Purpose:**

The University offers transit benefits, also known as commuter benefits, as a tax-free way for regular employees to save on their commuting costs when they use public transportation. The IRS regulations governing employer-offered transit benefits establish a monthly maximum benefit which is subject to change on a calendar year basis.

**Scope:**

This policy applies to regular faculty and staff who are employed on a year-round basis (paid biweekly). As of the effective date of this policy, the benefit applies to eligible employees who commute using the Southeast Pennsylvania Transit Authority (SEPTA). Therefore, reference to SEPTA is made throughout this policy.

**Procedure:**

1.0 Establish an account with SEPTA

1.1 The employee needs to demonstrate that s/he currently uses, or is preparing to use, SEPTA for his/her commute. A SEPTA "key card" or proof of purchase of SEPTA fare must be acquired. The employee must have a regular fare and usage pattern, such as a monthly pass.

2.0 Contact Human Resources to activate the benefit

- 2.1 The employee may email [human.resources@cairn.edu](mailto:human.resources@cairn.edu) to request participation in the transit benefit program. This may be done at any time (i.e., not limited to benefit eligibility or open enrollment).
- 2.2 The SEPTA key card or other proof of participation in a fare purchase program must be provided. Scanned copies of these are acceptable. The key card or proof of participation must indicate the monthly cost of the fare. This amount will be used to establish the bi-weekly transit pre-tax deductions.
- 2.3 The monthly cost, up to the IRS maximum monthly benefit for the current year, will be multiplied by 12, then divided by the number of pay periods in that year (usually 26) to calculate the bi-weekly pre-tax deduction for the employee. The deduction will be set up in the payroll system by Human Resources.
- 2.4 The employee will receive an expense reimbursement for the same amount as the deduction, on a biweekly basis. The expense reimbursement is non-taxed income that will be included with the employee's pay. This has the effect of allowing the employee to pay for the fare using pre-tax dollars, at the same time the employee receives the face amount back to be used toward the fare purchase.
- 2.5 Employees will be responsible to make their own purchases of transit fare, using the expense reimbursement funds.
- 2.6 For the duration of time the employee uses the Transit Benefit, s/he must submit a statement/receipt of fare purchases to Human Resources on a monthly basis. This will be retained in the employee's benefits records and made available for accounting and auditing purposes.
- 2.7 Participating employees must promptly notify Human Resources when they wish to change or discontinue the transit benefit, or when fare changes require payroll adjustments.

  
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President's Cabinet Member

February 1, 2021  
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Date