

Retroactive 2014 Qualified Transit/Vanpooling Exclusion Adjustment

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The monthly exclusion limitation for transportation in a commuter highway vehicle (vanpool) and any transit pass was previously announced as \$130 for calendar year 2014, and the monthly exclusion limitation for qualified parking expenses was \$250.

Congress recently enacted the Tax Increase Prevention Act. Section 103 of the Act amends the prior limits and raises the 2014 pre-tax transit and vanpool limit from \$130 to \$250, once again retroactively establishing parity with the pre-tax parking benefit for the year.

Employers interested in making adjustments will need to comply with the procedures in IRS Notice 2015-2 released on January 8, 2015. Administrators of these programs are working to implement the increased benefit level into their systems and will be communicating the process for moving forward with the increased limits.

The limits for 2015 are not affected by this change and remain at \$130 and \$250, respectively.

Further information, including how an employer can use its fourth quarter Form 941 to reflect changes in the excludable amount for transit benefits provided in all quarters of 20-14 can be accessed in IRS Notice 2015-2 at:
<http://www.irs.gov/pub/irs-drop/n-15-02.pdf>