

Polk County Commuter Choice Plan Policy

As Amended July 1, 2011

Article I – Introduction and Definitions

1.1 Establishment of Plan

Polk County hereby establishes the amended Commuter Choice Plan effective January 1, 2011. This amended plan supersedes the Commuter Choice Plan approved by the Polk County Board of Supervisors on June 29, 2010.

1.2 Legal Status

This plan is intended to qualify as a ‘qualified transportation fringe’ benefit plan under IRS Code Section 132. The qualified transportation benefits under this plan are intended to be eligible for exclusion from participating employees’ gross income.

1.3 Administrator

The Administrator of this plan is the Polk County Human Resources Department.

1.4 Plan

Plan means the Polk County Commuter Choice Plan as set forth herein and amended from time to time.

1.5 Plan Year

Plan Year means the fiscal year commencing on July 1st and ending on June 30th of each year.

Article II – Eligibility and Participation

2.1 Eligibility

The pretax payroll deduction for qualified transportation benefits is open to all regular full and part-time benefit eligible employees of the County. The parking subsidy is open to eligible employees as determined by the Plan Administrator who are not provided free parking at their work location.

2.2 Termination of Participation

An eligible employee will cease to be a participant in the plan upon the earlier of:

- The termination of this plan
- The date on which the employee ceases to be an eligible employee due to retirement, termination of employment, layoff, move to a non-benefits eligible position, etc.
- The date on which the employee elects to no longer participate in the plan.

Article III – Method and Timing of Elections

3.1 Initial Elections

Initial plan elections shall be made by submitting a Parking/Mass Transit Form to the Human Resources Department. Initial plan elections will be effective in the month following submission of the form.

3.2 Subsequent Elections

Plan elections may be changed at any time by submitting a new Parking/Mass Transit Form to the Human Resources Department, or electronically through the County Benefit Open Enrollment System. Changes and cancellations become effective the first of the month following the date the

form is returned to Human Resources.

Article IV – Benefits Offered and Method of Funding

4.1 Benefits Offered

When eligible as described under Article II, participants will be given the opportunity to elect one or more of the following benefits:

- a. Qualified Parking Benefits, as described in Section 5.1
- b. Transit Pass Benefits, as described in Section 6.1

4.2 Employer and Participant Contributions

- a. Employer Contributions: For participants who work at a County office where parking is not provided and who incur parking or mass transit expenses, the Employer will contribute a parking/mass transit subsidy in an amount prescribed by the current collective bargaining agreement or employee benefit manual. For payroll calculation purposes the subsidy will be calculated on the basis of 24 paydays and awarded to eligible participants on the 1st and 2nd paydays of each month. The subsidy will be awarded and applied on a pretax basis to fund parking/mass transit expenses.
- b. Participant Contributions: Participants will contribute to the plan as needed via pretax payroll deductions on the 1st and 2nd paydays of each month. The payroll deductions will be combined with the employer contribution to fund parking/mass transit expenses that exceed the employer contribution.

Article V – Qualified Parking Benefits

5.1 Definition of Qualified Parking Benefits

Qualified parking benefits means expenses paid for parking expenses at garages, surface lots (including those owned by the County) and parking meters (Smartcard purchase and meter time).

5.2 Monthly Statutory Limit

Reimbursement for qualified parking expenses cannot exceed the applicable monthly limit described in IRS Code Section 132(f). (For calendar year 2011, the limit is \$230 per month.)

5.3 Participant Accounts

The County will establish and maintain an account for each plan participant, but will not create a separate fund or otherwise segregate assets for this purpose. The account will be for recordkeeping purposes for employer and participant contributions and related disbursements for qualified parking expenses.

5.4 Payment of Parking Expenses by County

- a. Payment of expenses for employees parking in County owned parking lots will be processed by offsetting the parking subsidy and/or employee payroll deduction against the parking charge owed to the County. As a result, employee will not pay parking charge via check to the County each month, as an internal bookkeeping process will pay the County for the parking charge. Employee will acknowledge this arrangement when signing lease for County owned parking.
- b. Payment of expenses for employees parking in major ramps or surface lots will be made monthly in advance via a combined County check covering all employees parking in the facility who have agreed to a direct payment arrangement. The subsidy awarded to the employees in the month following the direct payment will be used to offset the direct payment made by the County. The direct payment by the County does not constitute a lease between the parking facility and the County, as the parking lease remains between the facility and the employee. The Plan Administrator in conjunction with the County Auditor's Office will determine which parking facilities are eligible for the direct payment process.

5.5 Reimbursement Procedures

- a. Reimbursements will be for expenses previously incurred, and not for any future expenses.
- b. Reimbursement of expenses for employees with a multi-month lease for parking in a parking ramp or surface lot may be processed by having the employee submit a copy of the lease at the start of the lease period. Monthly parking reimbursements will be made using the monthly lease amount for the duration of the lease, with the lease serving as the documentation of the monthly reimbursable amount. Employees are responsible for notifying the County of any change or termination of the lease during the lease term.
- c. Reimbursement of expenses for employees parking at a ramp or surface lot using a month-to-month lease, or where employee has not submitted a copy of a multi-month lease or parking at parking meters will be processed by having the employee submit a monthly parking reimbursement form and submitting third party documentation. Documentation for parking ramps or surface lots expense shall consist of receipt from management company or landlord. Documentation for parking meters expense shall consist of Smart Card receipts. However, the Plan Administrator and County Auditor's Office may approve alternative forms of documentation as they deem appropriate under the plan.
- d. Employees can not submit reimbursement claims for parking expenses incurred by anyone but themselves. Claims for parking expenses paid through any other source are not eligible expenses.
- e. Employees can only be reimbursed for parking expenses up to their current account balance. If claims submitted exceed the current account balance, a partial reimbursement payment will be made.
- f. Employees must submit reimbursement claims within 90 days of incurring the expense to be eligible for reimbursement. Account balances shall be forfeited if reimbursement claims are not submitted within 90 days. Also, as described in Section 5.5(b), employees who have terminated or are no longer plan participants must submit reimbursement claims within 90 days after ceasing to be a plan participant.

5.5 Account Forfeiture

- a. As described in Section 5.4(g), at any point during the plan year and at the end of the plan year, any account balances not claimed for reimbursement within 90 days after the expenditure is incurred shall be forfeited to the County.
- b. If any balance remains in an employee's account more than 90 days after the employee ceases to be a plan participant, the balance shall be forfeited to the County. Parking expenses must be incurred while employee is still a plan participant; the 90 day period is for the purpose of employee reimbursement after termination of plan participation.

Article VI – Transit Pass Benefits

6.1 Definition of Transit Pass Benefits

Transit pass benefits means monthly Des Moines Area Regional Transit (DART) bus passes purchased through the County Human Resources Department or bus passes and tokens purchased through other outlets such as grocery stores.

6.2 Monthly Statutory Limit

Transit pass benefits cannot exceed the applicable monthly limit described in IRS Code Section 132(f). (For calendar year 2011, the limit is \$120 per month.)

6.3 Participant Accounts

The County will establish and maintain an account for each plan participant, but will not create a separate fund or otherwise segregate assets for this purpose. The account will be for recordkeeping purposes for employer and participant contributions and related disbursements for transit pass benefits.

6.4 Processing Procedures

- a. Monthly passes are paid via payroll deduction /parking subsidy in the month for which the DART pass applies. If a DART pass is not purchased for a given month, the account balance shall be used for a DART pass within 90 days after the end of the month, or the account balance will be forfeited to the County.
- b. DART bus passes are sold/processed only for complete calendar months. Cost of passes is not prorated for partial months upon either enrollment or termination.

c. All eligible employees as described in Section 2.1 are able to participate in the Transit Pass program even if they are not eligible for the parking subsidy.

6.5 Account Forfeiture

a. Any account balances not used for transit passes within 90 days after the end of a month shall be forfeited to the County.

b. If any balance remains in an employee's account more than 90 days after the employee ceases to be a plan participant, the balance shall be forfeited to the County.

Article VII – Administration

7.1 Administrator

The administration of the Plan shall be under the supervision of the Administrator, with the principal duty being to ensure the Plan is carried out in accordance with Plan terms for the benefit of employees eligible to participate in the Plan.

7.2 Powers of the Administrator

a. To interpret the Plan, including any possible ambiguities, inconsistencies and omissions in the Plan and related documents, and to decide all questions of fact concerning eligibility, participation, and benefits.

b. To prescribe procedures to be followed and forms to be used by employees and participants.

c. To receive from all employees and participants such information as deemed necessary for proper administration of the Plan.

7.3 Inability to Locate Payee

If the Administrator or their designee is unable ascertain the identity or whereabouts of a participant after reasonable efforts have been made to identify or locate the participant, any outstanding payments or account balances shall be forfeited.

7.4 Effect of Mistakes

In the event of a mistake concerning employee eligibility, participation or benefits paid to an employee, the Administrator shall make corrections as they deem necessary to rectify the situation.

Article VIII – General Provisions

8.1 Amendment and Termination

This Plan is intended to be maintained for an indefinite period of time. However, the County may amend or terminate all or any part of this Plan at any time by resolution of the Board of Supervisors.

8.2 Governing Law

This plan shall be administered according to the laws of the State of Iowa, to the extent not superseded by the IRS code or other federal law.

8.3 IRS Code Compliance

This plan is intended to meet all applicable requirements of the IRS code, and all related regulations. In the event of any conflict between any part of the Plan and the IRS code, the provisions of the IRS code shall be deemed controlling and thus deemed to supersede any applicable part of the Plan.

Contact: Human Resources
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