

HealthEquity Commuter Pre-tax Credits

Great News! HealthEquity Commuter Pre-tax Credits are available! The information detailed below will explain the process.

What are Commuter Pre-tax Credits?

You are receiving this communication because you had a pre-tax commuter balance remaining on the prior commuter benefits platform that has been posted to your account on the new platform. This credit balance will be applied to your account as a **commuter pre-tax payroll credit**. The credit balance will be available and applied to your future order.

How do I use commuter pre-tax credits in the HealthEquity system if I have a transit and a parking election?

- In order to use commuter pre-tax credits, you must be an active employee at your company.
- You must be enrolled for a monthly commuter election in the HealthEquity system (transit and/or parking)
- Credits appear on your HealthEquity Dashboard and Program Details page.
- The image below is how a pre-tax commuter credit will appear on your HealthEquity Dashboard.

The screenshot shows the HealthEquity WageWorks dashboard. At the top, there are navigation links: ALERTS & MESSAGES, PROFILE, HELP, LIVE CHAT, and LOG OUT. Below this is a navigation bar with DASHBOARD, CLAIMS & ACTIVITY, CALCULATORS, and CARD CENTER. The date May 21, 2020 is displayed. The main content area includes a 'CHANGE OR CANCEL' button, 'Recent Activity' with a 'More Claims & Activity...' link, and a 'Pretax Funding' entry for May 01 with an amount of \$125.00. Below this is the 'CURRENT PROGRAMS' section, which includes a 'Commuter Account' card. This card shows 'Current Orders' for July 2020: Transit (1) for \$125.00 and Parking (0) for \$0.00. It also shows 'Available Balances' for the 'Commuter Account': Transit Card for \$964.00 and Commuter Credits for \$140.00. A red box highlights the 'Commuter Credits' balance, and a red arrow points to it from the 'Pretax Funding' entry. At the bottom, there is an 'Estimated Annual Tax Savings' of \$450.00 and an important note: 'Important: Balances may not reflect your recent card transactions.'

- Commuter credits are applied to reduce your future pre-tax payroll deductions.
 - If you have a transit order, the credit balance will be applied to reduce your pre-tax payroll deductions for your month's benefit order. The same would be true for a parking order. If you have both a transit and parking order, any available credits are applied towards the benefit type of the credit's original source. Any remaining credit is applied towards the other benefit type. For example, a credit created from a transit election would be applied towards the transit benefit first and then towards the parking election. In general, the intention is to use up any available credits by applying them to a similar

benefit type first.

- If your current order in the HealthEquity system exceeds the pre-tax limit, the after-tax deduction portion of the order would still apply.
- Let's look at two different scenarios on how you can use commuter pre-tax credits.

Example 1	Example 2
You have a commuter pre-tax credit for \$200.	You have a commuter pre-tax credit for \$350.
You have a monthly commuter pre-tax election in the HealthEquity system for \$80.	You have a monthly commuter transit election in the HealthEquity system for \$300. (Note: \$270 is the pre-tax limit based on 2020 IRS limits and \$30 is the remaining post-tax difference.)
You will have NO payroll deductions for the first and second month after your pre-tax credits are loaded into the HealthEquity system.	You will have NO pre-tax payroll deductions for the first month after your pre-tax credits are loaded into the HealthEquity system. You WILL have a \$30 post-tax payroll deduction from your paycheck since credits can only be applied up to the IRS monthly pre-tax limit.
In the third month, if your order stays the same, then a \$40 credit will be applied and a \$40 pre-tax payroll deduction will be processed from your paycheck.	In the second month, if your order stays the same, then a \$80 credit will be applied; a \$190 pre-tax payroll deduction and a \$30 post-tax payroll deduction from your paycheck will be taken.
In the fourth month, if your order stays the same, then a full \$80 pre-tax deduction will be processed from your paycheck since you have exhausted all of your pre-tax commuter credits at this point.	In the third month, if your order stays the same, then a full \$270 pre-tax payroll deduction and a full \$30 post-tax payroll deduction will be processed from your paycheck since you have exhausted all of your pre-tax commuter credits at this point.

More information about Commuter Credits

- There is no expiration date on commuter credits.
- You can never file claims against pre-tax commuter credits. You can only use pre-tax commuter credits towards your future pre-tax portion of your commuter election. When you terminate employment with your company, you have 180 days after the expense was paid to file claims against Pay Me Back (PMB) parking balances, but not credits. Credits are forfeited to your employer and cannot be given back to you under applicable IRS Rules and Regulations.

HealthEquity does not provide legal, tax or financial advice.