

BMO



# Commuter Program Plan Details

Employee Benefit Program of Bank of Montreal/Harris

# Contents

Overview.....	1
Terms of use.....	1
Eligibility .....	2
Enrolling.....	3
Newly hired employees.....	3
Changing your elections .....	3
Contributions.....	4
Pretax contributions.....	4
Changing your contributions.....	4
Impact on other benefits .....	4
Commuter program options .....	5
Public transportation and vanpool options .....	5
More about commuter cards and SmartCards .....	6
More about commuter check vouchers.....	6
Parking options.....	7
Monthly order recurring feature.....	8
Eligible expenses .....	9
Mass transit.....	9
Parking .....	9
Expenses not eligible .....	9
Reimbursement.....	10
Refund policy.....	10
Time limits for reimbursement/using your product.....	11
When participation ends.....	12
If you become disabled .....	12
Administrative information.....	13
How to manage your account or get more information.....	13

## Overview

The Commuter Program lets you use pretax dollars to save money on eligible transit and parking expenses you incur traveling to and from work. The great advantage is that you don't pay federal taxes on your contributions, thus lowering your taxable income. Your Spending Account, or YSA, is the administrator of the Commuter Program.

In addition to tax savings, you benefit from the convenience of online ordering and managing your transit and parking orders at your convenience via [Workday](#). As a participant of the Commuter Program, you can enroll, change your contribution amount, or stop participating any month during the year. You can also set up a recurring order and simply change or cancel your order in the future if necessary.

How the transit account works	How the parking account works
<p>When you order your transit product each month they are mailed directly to your home. If you opt for the commuter check card or if you have a smartcard from your transit authority, the monthly amount is reloaded to the card each month.</p> <p><u>Common eligible expenses</u></p> <ul style="list-style-type: none"> <li>• Mass transit trains or buses</li> <li>• Vanpooling</li> </ul>	<p>When you order your parking product each month they are either mailed directly to your home or to your parking provider depending on the option you select when placing your order. If you opt for the commuter check card the monthly amount is reloaded to the card each month.</p> <p><u>Common eligible expenses</u></p> <ul style="list-style-type: none"> <li>• Parking on or near the employer's property</li> <li>• Parking on or near a location from which you commute to work</li> </ul>

## Terms of use

YSA provides a commuter benefit program related to the IRS Section 132(f) ruling through use of commuting related products. You are responsible for regularly reviewing the terms of use. You can review the most current version of the terms of use at any time on your YSA dashboard [click here](#).

BY ACCESSING THE SITE OR ACCESSING, REGISTERING FOR, OR USING THE SERVICES, YOU CONFIRM THAT (1) YOU ARE AT LEAST 13 YEARS OLD, AND (2) YOU HAVE READ THESE TERMS OF USE, AND (3) YOU ACCEPT THESE TERMS OF USE. IF YOU CANNOT CONFIRM EACH OF (1) THROUGH (3) ABOVE, THEN YOU MUST NOT ACCEPT THESE TERMS OF USE AND MAY NOT USE THE SITE OR SERVICES.

## Eligibility

You are eligible to participate in the Commuter Program if you are a:

- full-time employee, or
- part-time employee who is scheduled to work 20 or more hours a week.

Federal regulations state that only expenses *you* incur commuting to and from work may be reimbursed through the Commuter Program. Expenses incurred by your family members are not eligible for reimbursement.

## Enrolling

Participation in the Commuter Program is optional. Eligible employees can enroll any month of the year. To enroll, go to [Workday](#), click on the My Benefits & Retirement application, depending on where you are connecting to Workday from, click on Employees in Canada and US (on BMO Network) or Employees in Canada and US (off BMO Network), click on the Your Spending Account (YSA) tile, click on Enroll for Commuter at Wired Commuter from the “Take Action” menu. From your dashboard click Place an Order and select the product you need.

For most transit agencies, the deadline to enroll is midnight Eastern Time on the 10<sup>th</sup> day of each month. However, for the New York Long Island and Metro-North Railroad, elections must be made by the 4<sup>th</sup> day of the month.

You will receive your order before the first day of the benefit month in which you will actually use your pass or voucher. When you order your parking or transit product each month, they are either mailed directly to your home or to your parking provider depending on the option you select when placing your order. If you opt for the commuter check card, or if you have a smartcard from your transit authority the monthly amount is reloaded to the card each month.

For example, if you place an order by December 10<sup>th</sup>, you will receive it before January 1 for use in January. If you are a New York Long Island or Metro-North Railroad user, you must place your order by December 4 for use in January.

## Newly hired employees

If you are a new employee, or newly eligible for benefits, you will be able to enroll in the Commuter Program as soon as YSA receives your eligibility information – typically within two weeks after your hire date, or your change to benefits-eligible status. Elections made by the 10<sup>th</sup> of any month (or the 4<sup>th</sup> for New York Long Island and Metro-North Railroad users) will take effect with deductions beginning on your first paycheck of the following month. Your first order will then be available for use in the *following* month (the benefit month). For example, orders placed by the 10<sup>th</sup> of January (or 4<sup>th</sup>) are for the February benefit month and the deduction will begin on your first paycheck in February.

## Changing your elections

You may change your elections or stop participating any month during the year, for any reason, even if you do not experience a qualifying life event. To change your elections, go to [Workday](#), click on the My Benefits & Retirement application, depending on where you are connecting to Workday from, click on Employees in Canada and US (on BMO Network) or Employees in Canada and US (off BMO Network), click on the Your Spending Account (YSA) tile, click on Enroll for Commuter at Wired Commuter from the “Take Action” menu.

Changes made by the 10<sup>th</sup> of any month (or the 4<sup>th</sup> for Long Island and Metro-North Railroad users) will be reflected on the first paycheck of the following month for use in the following month (the benefit month). For example, orders placed by the 10<sup>th</sup> of January (or 4<sup>th</sup>) are for the February benefit month and the deduction will begin on your first paycheck in February. You can also call the Human Resource Centre (HRC) at 1-888-927-7700 by the monthly deadline.

## Contributions

You decide how much to contribute to the Commuter Program. Contributions will be deducted once a month, taken from your first paycheck of the month. If your monthly commuting expenses exceed the pretax limits shown below, after-tax contributions are allowed as a convenient way to fund the total amount of your transit pass in a single transaction. Your contributions will automatically be deducted on a pretax basis, up to the maximum amount allowed, with the remaining contributions deducted after-tax. After ordering you can see the breakdown of pretax and after-tax amounts on your dashboard.

### Pretax contributions

Pretax contributions are deducted from your pay before taxes are withheld, which lowers the amount of tax withheld from your pay. Depending on your income tax bracket, you could save as much as 40% on your commuting costs. That's because every pretax dollar you contribute is free of federal, most state and FICA taxes. If you live in a state that does not recognize the federal limit your pre-tax contribution will be adjusted accordingly. Please consult with a tax professional for state specific information.

Limits on pretax contributions are based on IRS guidelines. The 2021 monthly pretax limits for mass transit and parking are shown below. These limits are subject to change based on IRS guidelines.

Commuter program accounts	Monthly pretax limits
Mass transit	\$270
Parking	\$270

### Changing your contributions

You can change or stop your contributions any month during the year, for any reason, even if you do not experience a qualifying life event. To enroll, go to [Workday](#), click on the My Benefits & Retirement application, depending on where you are connecting to Workday from, click on Employees in Canada and US (on BMO Network) or Employees in Canada and US (off BMO Network), click on the Your Spending Account (YSA) tile, click on Enroll for Commuter at Wired Commuter from the "Take Action" menu or call the HRC at 1-888-927-7700. Contribution changes made by the 10<sup>th</sup> of any month (or the 4<sup>th</sup> for Long Island and Metro-North Railroad users) will be reflected on the first paycheck of the following month, affecting your order for use in the following month (the benefit month). For example, orders placed by the 10<sup>th</sup> of January (or 4<sup>th</sup>) are for the February benefit month and the deduction will begin on your first paycheck in February.

### Impact on other benefits

Your pretax contributions are included as earnings for purposes of the 401(k) Savings Plan and Non-Qualified Savings Plan, subject to any normal earnings limits for those Plans. However, pretax contributions are not included in your earnings for Social Security purposes and therefore are not subject to FICA tax. As a result, you could receive a slightly lower Social Security benefit at retirement. For most people, the immediate federal, state and FICA tax savings are more than enough to offset a possible small benefit reduction later on.

## Commuter program options

To see the specific transit and parking options available, go to [Workday](#), click on the My Benefits & Retirement application, depending on where you are connecting to Workday from, click on Employees in Canada and US (on BMO Network) or Employees in Canada and US (off BMO Network), click on the Your Spending Account (YSA) tile, click on Enroll for Commuter at Wired Commuter from the “Take Action” menu. From your dashboard click Place an Order and select the product you need. The chart below gives a general description of the various options available through YSA and how they work. Not all options are available at all locations.

### Public transportation and vanpool options

Public transportation / vanpool options	How it works
<b>Select a transit product</b>	Decide which pass you want to buy from a specific transit or vanpool agency, and YSA will deliver it depending on the option you select when placing your order. If you currently use a “ticket-by-mail” service and plan to begin receiving your pass or card directly from YSA, you should cancel this service directly through your transit agency. Long Island and Metro-North Railroad offer a service called “Mail & Ride” and participants enrolled in either program can have their transit benefits deposited into their respective Mail & Ride account.
<b>Smartcard</b>	YSA loads contributions directly onto transit agency SmartCards such as the MetroCard in New York, Chicago Ventra Card and other locations where available. See <a href="#">More about commuter cards and SmartCards</a> .
<b>Commuter check prepaid Mastercard®</b>	A reloadable prepaid card that can only be used to purchase transit fare media from qualified transit authorities where Debit Mastercard®, Maestro® cards, or NYCE® cards are accepted. Recommend participants ordering this product to set a load amount that’s appropriate for their normal monthly commute. <ul style="list-style-type: none"> <li>- Funds are loaded on the 19<sup>th</sup> of each month</li> <li>- You can contribute up to \$540 on a pretax basis each month (\$270 for Transit and \$270 for Parking)</li> <li>- Funds remaining on your card at the end of the year carry over to the following year</li> </ul>
Commuter check voucher Required by most vanpools and a few other transit operators	A voucher is a check made payable to the local municipal transportation authority. YSA sends you vouchers in the amount you elect, and then you redeem the vouchers when you purchase your mass transit pass, fare card, tokens, monthly ticket, etc. Vouchers can only be ordered in amounts up to the pretax limit. See <a href="#">More about commuter check vouchers</a> .

There are a few types of transit passes that YSA may not sell. If your transit pass is not available, you can order paper vouchers or a commuter check prepaid MasterCard® to use as payment for your commuting expenses and you’ll still get the same tax savings.

### **More about commuter cards and SmartCards**

The terms “commutercard” and “SmartCard” generally refer to electronic account cards issued by specific transit agencies. This type of card saves you the hassle of paying with cash or tickets. In addition, you can often save money compared with paying the normal fare for each trip. The card is “loaded” with a certain dollar value, which you can spend on travel with the transit agency that issued it. Each time you use your card, your account is automatically debited. Some cards can be automatically “reloaded” with credit as needed. YSA will automatically load your Commuter Program contributions onto the card.

Even if your transit agency does not offer its own commuter card or SmartCard, you can still enjoy this convenience with the commuter check prepaid MasterCard®. Unlike commuter cards or SmartCards that are tied to specific transit agencies, the commuter check prepaid MasterCard® works like a debit card at any ticket machine or window that accepts credit and debit cards. Many transit agencies provide websites that explain how their commuter cards work.

### **More about commuter check vouchers**

This option is required by most vanpools and a few other transit operators. A commuter check voucher is redeemable when you purchase your mass transit pass, fare card, tokens, monthly ticket, etc. If the commuter check voucher value is less than the cost of your commuter expense, you pay the difference. No refund is given if the voucher value is more than the cost of your commuter expense.



## Parking options

Parking options	How it works
<p><b>Monthly direct pay</b></p>	<p>Tell YSA when and how much to pay your parking garage, and YSA will send a check directly to the designated parking garage from your Commuter Program account.</p> <p>It is your responsibility to provide accurate parking garage/service provider details (i.e., the name and complete garage address) in the YSA system. YSA is responsible for delivery of payment to the parking service provider on schedule, based on information provided by you.</p> <p>You should have an existing account with your parking provider before choosing this option. Please have your account information handy when you place your order.</p> <p>If your parking expenses exceed the monthly pretax limit, you may fund the difference with after-tax contributions under this option.</p>
<p><b>Commuter check for parking</b></p>	<p>These vouchers are made payable directly to parking providers and are used by participants to pay for parking expenses. Commuter Check for Parking Vouchers may be used to purchase one or more types of parking, and participants can order as many vouchers as needed for multiple parking providers. Daily, weekly, or monthly checks made payable to a parking provided are mailed to your home address.</p>
<p><b>Commuter check prepaid MasterCard® for parking</b></p>	<p>A reloadable prepaid card that can only be used for qualified parking expenses where Debit MasterCard®, Maestro® cards, or NYCE® cards are accepted.</p>
<p><b>Parking cash reimbursement</b></p>	<p>Participants will elect a monthly amount to be set aside from their paycheck into a pre-tax spending account. Once they have incurred out of pocket qualified parking expenses, they will complete a claim form and submit the form along with receipts, if available* for reimbursement.</p> <p>Claims have to be filed within 180 days of incurring the expenses. Un-used funds rollover from month to month unless you terminate employment.</p> <p>Pay to park, then get reimbursed via check or direct deposit (you decide the payment option at the time you enroll). See <a href="#">Reimbursement</a>.</p> <p>*If you do not have a receipt be sure to check “no receipt” on the claim form then print, sign, and submit your claim for processing.</p>
<p>If you park at different locations during the month, elect <i>parking cash reimbursement</i>, that way you can pay to park at whichever facility you choose and then submit a claim for reimbursement.</p>	

### Monthly order recurring feature

The monthly order recurring feature allows you to set-up your order for automatic monthly processing. You can also opt out of certain benefit months if you know you will not need an order for a particular month.

If you have an email address on file, you will receive a monthly email letting you know your order will be processed unless you go into the system and make a change by the deadline. Once the order processes you will receive another email notification.

You may also enter your order in the system each month instead of setting it up as a recurring order. However, if you purchase more than one type of pass each month; you cannot set up one pass as recurring and the other as non-recurring. (i.e. Metra train pass and PACE bus pass).



Remember changes must be made by the 10<sup>th</sup> of the month (or the 4<sup>th</sup> for Long Island and Metro-North Railroad users) to affect the following month's order.

## Eligible expenses

### Mass transit

Mass transit expenses that are eligible for reimbursement under the Commuter Program include:

- Transit passes that entitle you to mass transportation, such as passes, fare cards or vouchers for the bus, train or subway.
- Your use of a commuter vanpool between home and work. The IRS defines an eligible vanpool as a commuter highway vehicle that seats at least six adult passengers (plus the driver) and that uses at least 80% of its annual mileage transporting employees between home and work, with at least half of the passenger seats filled.

### Parking

Parking expenses that are eligible for reimbursement under the Commuter Program include:

- expenses you incur for paid parking at or near your workplace;
- expenses you incur for paid parking at a location from which you commute to work, such as mass transit parking facilities (“park and ride” lots).

If you pay for parking on a quarterly basis, you should elect a monthly contribution amount equal to the true monthly expense.

If you choose the monthly direct pay option, it is your responsibility to provide accurate parking service provider details (i.e. the name and complete garage address) in the YSA system. YSA will be responsible for making payment to the designated parking service provider on schedule, based on information provided by you.

### Expenses not eligible

The following expenses are not eligible for reimbursement under the Commuter Program:

- tolls, traffic tickets, fuel, mileage or other costs incurred to operate a personal vehicle or taxi;
- taxi fares and airline tickets;
- any expense reimbursed under BMO’s Employee Travel and Entertainment Expenses;
- any expense incurred before the month in which your first contribution is deducted;
- expenses incurred by another family member;
- any expense incurred after the month in which your employment ends.

## Reimbursement

Passes are ordered online and paid for through a payroll deduction so there's no need to file a claim for reimbursement. However, if your pass doesn't arrive in the mail to use as of the first day of the month, repurchase the pass and submit the *Never Received Pass Claim Form*. You will need to provide receipts showing out-of-pocket expenses, and YSA must receive the claim before 11:59 ET on the 10<sup>th</sup> of the benefit month in order for your claim to be accepted.



To access *Forms* go to [Workday](#), click on Employees in Canada and US (on BMO Network) or Employees in Canada and US (off BMO Network), click on the Your Spending Account (YSA) tile, click on Enroll for Commuter at Wired Commuter from the "Take Action" menu, from Your Spending Account Commuter dashboard, select Support, then Forms.

According to IRS regulations, you cannot receive a reimbursement that exceeds your monthly contribution amount or that exceeds the actual balance in your Commuter Program account.

## Refund policy

If you receive the wrong item or if your pass didn't arrive to your home address, you may file a claim online by following the steps above. You also have the option to fax or mail the *Never Received Pass Claim Form* to YSA for processing. Remember, the completed form with the required documentation must be received by the 10<sup>th</sup> of the benefit month in order for your claim to be accepted. YSA will replace one lost pass (you did not receive) per year at no cost to you. If you misplace your pass you'll be responsible for paying the costs to replace it.

Some Transit authorities and products have their own unique refund or replacement policies and thus are not covered under the Never Received Pass Claims policy, including but not limited to the following:

- Annual MetroCard (MTA/NYCT)
- Breeze Card (MARTA)
- Charlie Card (MBTA)
- Clipper Card
- Commuter Check Prepaid MasterCard®
- Compass Card
- Corporate Quick Card (Metrolink)
- Easy Card (MDTA)
- Easy Pass SFRTA/Tri-Rail
- Enterprise Vanpool
- Freedom Card (PATCO)
- Go CT Card (CTtransit)
- GoTo Card (MetroMN)
- GoVentura (Ventura County)
- Hop (Fastcard) (TriMet, C-Tran)
- Long Island Railroad (Monthly)
- METRA
- Metro North Railroad (Monthly)
- ORCA
- PATH SmartLink
- QCard (Metro Houston)
- SmarTrip (WMATA)
- SunCard (SunRail)
- Ventra (CTA/Pace)
- VPSI Vanpool

## Time limits for reimbursement/using your product

Products	How it works
<b>Transit products</b>	In general, these products are month specific and should be used in the month for which they are designated. Some exceptions may apply. If you have questions about using your product, please contact the Transit Authority or YSA.
<b>SmartCards</b>	In general, these products are month specific and should be used in the month for which they are designated. Some exceptions may apply. If you have questions about using your SmartCard please contact the Transit Authority or YSA.
<b>Commuter check prepaid Mastercard® for transit or parking</b>	This product is not month specific.
<b>Commuter check voucher for transit or parking</b>	This product is not month specific but will expire 13 months from the date of issue.
<b>Direct pay parking</b>	In general, the payments issued to the parking provider are month specific.
<b>Parking cash reimbursement</b>	<p>If you select the parking cash reimbursement option, you will need to file a claim directly with YSA in order to be reimbursed for your parking expense. You have approximately six months, 180 days, to file your claim for a specific benefit month. If you opt not to use the funds you set aside for a specific benefit month, you can roll the funds over to use for a future benefit month. However, you cannot exceed the pre-tax maximum for a given month.</p> <p>If you pay for parking in advance, you should file your claim for reimbursement in the month the service is provided (the benefit month), not the month you pay for it. For example, if you pay for June parking in May, you could not file a claim for reimbursement until June.</p>



In accordance with IRS regulations, unused benefits cannot be refunded.

## When participation ends

You may stop participating in the Commuter Program effective any month during the year, go to [Workday](#), click on the My Benefits & Retirement application, depending on where you are connecting to Workday from, click on Employees in Canada and US (on BMO Network) or Employees in Canada and US (off BMO Network), click on the Your Spending Account (YSA) tile, click on Enroll for Commuter at Wired Commuter from the “Take Action” menu or by calling the HRC at 1-888-927-7700 (toll free) Monday through Friday, 8 a.m. to 5 p.m. Central Time by the monthly deadline.

Your participation in this program automatically ends on your termination date. You may still submit parking cash reimbursement claims for expenses that you incurred before your termination date. You have six months following the end of the month your employment ends to submit claims for reimbursement.

You will forfeit unused contributions for which you have not incurred eligible expenses by your termination date. This includes credits and/or balances on your Commuter SmartCard or commuter check prepaid MasterCard®. If you have elected the commuter check voucher option, all contributions are used to purchase commuter check vouchers and cannot be reimbursed. In accordance with IRS regulations, unused benefits cannot be refunded.

If you do not terminate your order by the 10<sup>th</sup> of the month (or the 4<sup>th</sup> for Long Island and Metro-North Railroad users) and products are purchased for the following month deductions will be taken from your payroll.

## If you become disabled

You are not eligible to continue the commuter program while on Long Term Disability. You are responsible for discontinuing your deduction while on Short Term Disability and reinstating it, if desired, when you return to work.



Remember changes must be made by the 10<sup>th</sup> of the month (or the 4<sup>th</sup> for Long Island and Metro-North Railroad users) to affect the following month's order.

If you have the monthly order recurring feature set-up your order will automatically process unless you go into the system and make a change by the deadline. You can opt out of certain benefit months if you know you will not need an order for a particular month.

## Administrative information

Section 132 of the IRS Tax Code governs the Commuter Program. This section of the code allows employees to pay for qualified mass transit and parking expenses with pretax dollars.

### How to manage your account or get more information

To learn more about the Commuter Program, review your commuter options, enroll, or file a claim for reimbursement, access Your Spending Account:

1. Go to [Workday](#), click on the My Benefits & Retirement application
2. Depending on where you are connecting to Workday from, click on Employees in Canada and US (on BMO Network) or Employees in Canada and US (off BMO Network)
3. Click on the Your Spending Account (YSA) tile
4. Click on Enroll for Commuter at Wired Commuter from the “Take Action” menu.

Your Spending Account (YSA) administers the Commuter Program. You may call the HRC at 1-888-927-7700 for more information.