

# Commuter Expense Reimbursement Account (CERA)

Diageo NA helps lower your cost of commuting to work by offering the Commuter Expense Reimbursement Account (CERA) through UnitedHealthcare and WageWorks, Inc. This program allows you to fund your commuting and parking expenses through pre-tax payroll deductions.



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## How Commuter Expense Reimbursement Account (CERA) Works

### Using Vendors Not in the Catalog

If you select a vendor that is not in the catalog, WageWorks, Inc. will contact that vendor and request to have the vendor included in their catalog. Please take the time each month to see if your vendor has been added.

CERA provides access to a national online catalog with more than 10,000 parking and transit vendors. If your vendor is in the catalog, the vendor will be paid directly each month, and you will receive either a parking or transit pass in the mail. If your vendor is not in the catalog, you will make your election, and use the “Pay Me Back” option (see page 94) by submitting an online or paper claim to be reimbursed in your paycheck.

You can change your elections each month if your commuting routine or expenses change.

### Questions?

If you have questions about CERA after you review the information here, call UnitedHealthcare at 1-877-311-7849 between 9:00 a.m. and 8:00 p.m. EST, or log on to the UnitedHealthcare website at [www.myuhc.com](http://www.myuhc.com) 24 hours a day. Click on the Commuter Expense Reimbursement Account link for plan details.

## Company Match for Commuting Expenses

If you sign up for CERA, the Company will add up to \$50 per month (\$600/year) by matching 50¢ on each dollar you contribute for commuting expenses.

## Your Contributions

### Pay Through Monthly Deductions

Your monthly commuting fee will be deducted from your first paycheck each month.

The IRS allows you to deduct up to \$230 per month (\$2,760 per year) for eligible commuting expenses and up to \$230 per month (\$2,760 per year) for eligible parking expenses on a pre-tax basis. If your commuting expenses are more than the pre-tax limit, the remainder of the cost will be deducted after taxes. The maximum combined pre-tax and after-tax limit is \$500 per month.

Because your pre-tax contributions are not subject to federal, Social Security/Medicare, and in most cases, state and local taxes (state taxes apply in MA, MS, NJ, and PA), your taxable income is reduced, and your take home pay is increased. For more information about pre-tax contributions, refer to the *Participating in the Benefits Plans* section .

## An Example

You will save \$1,893\* each year if:

- Your annual base salary is \$40,000
- You contribute \$70 per month (\$840 per year) for commuting expenses
- The Company matches \$50 per month (\$600 per year) for commuting expenses
- You contribute \$185 per month (\$2,220 per year) for parking expenses



	With CERA	Without CERA
<b>Your Annual Base Salary</b>	\$40,000	\$40,000
<b>Pre-tax Commuting Expenses</b>	-\$840	\$0
<b>Pre-tax Parking Expenses</b>	-\$2,220	\$0
<b>Company Match (not taxable)</b>	\$600	\$0
<b>Taxable Income</b>	\$36,940	\$40,000
<b>Federal Taxes (25%)</b>	-\$6,824	-\$7,283
<b>Social Security/Medicare (FICA) (7.65%)</b>	-\$2,826	-\$3,060
<b>Take-home Pay After Taxes</b>	\$27,290	\$29,657
<b>After-tax Commuting Expenses</b>	\$0	-\$1,440
<b>After-tax Parking Expenses</b>	\$0	-\$2,220
<b>Take-home Pay</b>	\$27,290	\$25,997
<b>Estimated Tax Savings*</b>	\$1,293+ \$600 Company Match	
	=\$1,893	

When you make your CERA election on [www.myuhc.com](http://www.myuhc.com), your personal estimated tax savings will appear.

\*You may save more if state and local taxes are included. This estimate is based on current tax law and is subject to change.

## Eligible Expenses

The following are examples of eligible commuting expenses:

- Bus
- Train
- Subway
- Ferry
- Streetcar
- Vanpools (The vehicle must have seating for at least six adult passengers, with 80% of mileage and 50% of seating capacity used for employee transport.)
- Parking at or near work
- Parking at or near public transportation you use to get to work

### Remember to Submit Your Claims

It is important to submit your claims within six months of incurring the expense.

## Ineligible Expenses

The following expenses are not eligible for reimbursement:

- Taxicabs
- Carpools
- Limousines
- Tolls
- Parking on or near employee residential property

## Paying for Your Expenses

There are two methods to pay for your CERA expenses. You may:

- Pay the vendor directly
- Use the Pay Me Back option

### Paying the Vendor Directly

If your parking and/or transit vendor is in the catalog, the vendor will be paid directly, and you will receive a parking or transit pass as follows:

- Order your pass online by the 10<sup>th</sup> of the month prior to the commuting month. (If you commute on the Long Island Railroad or the Metro North Railroad, elections must be made by midnight EST of the 4<sup>th</sup> of the prior month.)
- Your monthly commuting fee will be deducted from your first paycheck of the following month.
- You will receive your pass in the mail in time for the month in which the pass is needed.

### Pay Me Back

If your parking garage or mass transit company is not listed in the online catalog, you will need to submit an online or paper claim to be paid back in your paycheck.

Following is the process for being paid back:

Log on to **www.myuhc.com** on or before the 10<sup>th</sup> of the month prior to the month in which you will incur the expense. (If you commute on the Long Island Railroad or the Metro North Railroad, elections must be made by midnight EST of the 4<sup>th</sup> of the prior month.) IRS guidelines dictate that you must indicate your intent to purchase in advance to obtain pre-tax reimbursement.

- The entire deduction will be taken from your first paycheck following the month in which you make the election.
- You must submit an online or paper claim with receipts between the last day of the month, but before the 10<sup>th</sup> of the month following your month of travel to be reimbursed in the first paycheck of the month after the commuting month. According to IRS regulations, you cannot be reimbursed before the end of the commuting period, even if you pay in advance.



- Any claim submitted more than six months after the expense is incurred will be denied. If you do not request to be paid back within six months, the money in your account will be carried forward and used for future claims. No future deductions will be made from your pay until you submit a claim.
- If you leave the Company, you must submit all claims within six months of incurring the expense, or your account balance will be forfeited.

### **An Example**

If your commuting expenses will be \$100 for the month of January:

- You must log on to the website before December 10 to elect a \$100 deduction.
- Your first paycheck in January will have the \$50 deduction and the \$50 Company match.
- You must submit your online or paper claim with receipts after January 31, but before February 10.
- You will be paid back in the first payroll for March.
- If you do not request to be paid back before February 10, your claim will be held over for the next month's processing.
- If you wait until July or later to submit your January claim (more than six months), your January claim will be denied, but your January CERA funds will be carried over to July and may be used for claims that are less than six months old.
- No future deductions will be made from your pay until you submit a claim.



