



TRANSPORTATION INCENTIVE PROGRAM (TIP) NEWSLETTER

OUTSIDE THE NATIONAL CAPITOL REGION (ONCR)

ISSUE:
JUNE 2010

UPCOMING ENROLLMENT DEADLINES:

Next: Friday, June 18, 2010
Please make a note of this early deadline.

Future:
Tuesday, July 27, 2010
Tuesday, August 24, 2010



QUESTION OF THE MONTH:

Are government contractors eligible to receive the TIP benefit if they are long-term contractors?

No, government contractors are not eligible to participate in the transportation incentive program and receive the federal benefit.

QUARTERLY DISTRIBUTION VS MONTHLY PAYMENT

Transportation Incentive Program benefits are generally distributed on a quarterly basis. This reduces distribution costs and the number of times participants need to stop their work to collect their transportation benefits. While participants receive and sign for three months worth of vouchers, unless the participant is able to demonstrate to their Point of Contact why they should not submit vouchers monthly, they are required by the Department of the Navy Program Guidelines to only submit vouchers to their transit authority or vanpool one month at a time. This internal control mechanism is in place to protect against the waste of government resources. Whether we plan ahead or not, it is difficult to project what our commuting pattern will be in the future. By purchasing a vanpool seat or commuter pass on a monthly basis it allows participants more flexibility in adjusting their mode of commuting.



If participants submit all their vouchers to pay for the next three months on their vanpool, and then for some reason after just one month they are no longer able to ride the vanpool due to a life change, schedule change, etc., they will be responsible to re-pay the government back for the vouchers that will no longer be used but have already been cashed by the vanpool company. By submitting their vouchers one month at a time participants will be able to return the unused vouchers to their point of contact to be credited back to the command. Following this program guideline can help participants avoid the potential liability of improperly cashed vouchers and help protect against wasting government resources.

THE FUTURE OF THE \$230 MAXIMUM BENEFIT

Shortly after taking office and in the midst of economic recession, President Barack Obama signed the *American Recovery and Reinvestment Act of 2009* into law. As part of this economic stimulus package, the maximum benefit for qualified means of transportation was expanded from \$120 per month to \$230 per month to set the mass transportation benefit to the same level as the qualified parking benefit. [Note: The Transportation Incentive Program does not include a parking benefit.] As a result the United States Code, Title 26, Section 132 has been updated to reflect the stimulus bill. The new language reads, "In the case of any month beginning on or after the date of the enactment of this sentence and before January 1, 2011, subparagraph (A) shall be applied as if the dollar amount therein were the same as the dollar amount in effect for such month under subparagraph (B)." Subparagraph (A) refers to the maximum transportation benefit for qualified means of transportation and subparagraph (B) refers to qualified parking benefits. Under current law the increase of the transportation incentive program benefit to the same level as the parking benefit is set to expire on December 31, 2010. Unless Congress acts the Transportation Incentive Program benefit will revert back to the original benefit schedule outlined in Internal Revenue Bulletin No. 2001-11 which would be approximately \$120 plus any applicable cost-of-living adjustment since January 2009. It is always difficult to predict what Congress may do in an election year, but we wanted to clarify what the current law says and how it may affect the Transportation Incentive Program in 2011. We will keep you posted if Congress takes any action.



IMPORTANT REMINDERS:

1. Email an encrypted soft copy of the **Alpha Listing** with all new enrollees to joshua.coover@navy.mil before the deadline.
2. The June deadline is early. Submit all applications by June 18th.
3. Return any handwritten applications to the participant and request that the application be typed. Please do not submit applications unless they are **TYPED**.

DON CONTACT INFORMATION

PROGRAM MANAGER:
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202-685-0399

MAILING ADDRESS FOR APPLICATIONS:
Director, Office of Financial Operations
720 Kennon St., SE, Bldg 36, Rm 115
Washington Navy Yard, DC 20374-5025
ATTN: Transportation Incentive Program

FAX: 202-685-6765
E-MAIL ADDRESS: M_WNYD_TIP@navy.mil
WEBSITE: <http://www.fmo.navy.mil/services/tip/tip.htm>



DEPARTMENT OF TRANSPORTATION CONTACT INFORMATION

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MAILING ADDRESS FOR RETURNING VOUCHERS
(ALL VOUCHER RETURNS SHOULD BE SENT VIA OVERNIGHT MAIL):
Keesha Perry
US Department of Transportation
1200 New Jersey Avenue SE
Washington DC, 20590

FAX: 202-493-2436