



TRANSPORTATION INCENTIVE PROGRAM (TIP) NEWSLETTER

OUTSIDE THE NATIONAL CAPITOL REGION (ONCR)

ISSUE:
NOVEMBER 2010

UPCOMING ENROLLMENT DEADLINES:

Next:

Friday, November 19, 2010

Future:

Friday, December 17, 2010

Tuesday, January 25, 2011



Please note the early deadlines for November and December to accommodate for the holiday season.

TIP MAX BENEFIT REDUCED TO \$120 FOR JANUARY/FEBRUARY/MARCH DISTRIBUTION

The maximum monthly benefit for the Transportation Incentive Program will be reduced to \$120 for the next quarterly distribution. The OUSD (P&R) Civilian Personnel Policy has provided the following FAQs to assist in answering questions related to this transition back to the original benefit schedule:

FREQUENTLY ASKED QUESTIONS



1. Why did the maximum monthly limit for mass transportation subsidies go up in March 2009?

The American Recovery and Reinvestment Act (ARRA), Public Law 111-5, increased the maximum tax exclusion limit for transit subsidies from \$120 to \$230 per month for the period March 2009 – December 2010.

2. Was the \$230 monthly maximum subsidy intended to be permanent? No, the ARRA set an expiration date of 31 December 2010 for the increased tax exclusion amount. Congressional action is required to extend or make the \$230 maximum limit for mass transportation subsidies permanent.

3. How is the maximum monthly mass transportation subsidy limit determined? The monthly maximum limit identified in the Internal Revenue Code (IRC), 26 United States Code (U.S.C.) § 132 (f) (2), is determined by the Internal Revenue Service (IRS) based on the original limit set in 2000. 26 U.S.C. § 132 (f) (6) allows the IRS to adjust the original limit for inflation. New limits, based on inflationary updates, are annotated in IRS Revenue Procedures. The ARRA created an unusual situation temporarily increasing the IRC limit.

4. Why is the monthly tax exclusion limit relevant? The tax exclusion amount is important to DoD personnel who participate in the DoD Mass Transportation Benefit Program because it represents the maximum amount of transportation subsidies that may be disbursed for qualified means of transportation such as van pools, buses and rail and light rail.

5. What will the maximum monthly tax exclusion limit for transit subsidies be for 2011? Unless otherwise amended by the IRS to adjust for inflation in 2009 and 2010, the 2011 limit will be \$120, the limit when the ARRA was implemented in 2009. The IRS has not released updates for inflation to enable an increased distribution for 2011 beyond the \$120 limit, nor has there been any Congressional action to extend or make the \$230 maximum limit permanent.

6. Can DoD provide a greater transit subsidy amount than established by the IRC? No, federal agencies do not have the authority to increase the monthly maximum transportation subsidy limit beyond the limit provided in the IRC.

7. Will transportation providers change their prices to commuters? There are no laws or governing rules to establish how much transportation providers may charge. Participants should check with their transportation service provider for current fares for their routes and any upcoming changes.



QUESTION OF THE MONTH:

Do Points of Contact need to submit a “make change” form for everyone who currently receives more than the new maximum benefit?

No, the Department of Transportation will adjust all benefit amounts to comply with the new maximum benefit.

IMPORTANT REMINDERS:

1. Only accept TYPED applications. Return all handwritten applications to the participant for proper completion.
2. Remind participants that they must pick-up their benefits within the ten-day distribution period or make contact with their POC within 30 days of the end of the distribution period to avoid being removed from the program.
3. Participants contact information to include email or phone number is required before an application will be approved. This information may be necessary to validate their benefit record at a later date.

DON CONTACT INFORMATION

PROGRAM MANAGER:

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MAILING ADDRESS FOR APPLICATIONS:

Director, Office of Financial Operations
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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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DoT ALTERNATE AGENT:

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MAILING ADDRESS FOR RETURNING VOUCHERS

(ALL VOUCHER RETURNS SHOULD BE SENT VIA OVERNIGHT MAIL):

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