



3.530A Addendum RCUH Flexible Spending Plan

I. Policy

It is the RCUH's policy to provide employees a choice of non-taxable benefits under provisions of the Internal Revenue Code, Section 132 (f). One option is the Pretax Transportation Benefits Plan (PTBP), which allows employees to set aside a portion of their salary and allocate it towards qualified transportation expenses such as parking and transit (e.g., bus passes).

II. Responsibilities

A. RCUH Employee

1. Enroll in the PTBP by completing the RCUH Flexible Spending Enrollment/Change Form (B-5F) by the established deadlines.
2. To make changes to or cancel the PTBP, complete the RCUH Flexible Spending Enrollment/Change Form (B-5F) and submit to the RCUH Human Resources Department thirty (30) days **PRIOR** to the requested effective date of change/cancellation.
3. Ensure claims for reimbursement are submitted by the established deadlines to avoid forfeiture of monies.

III. Applications

This policy applies to regular-status employees at 50% FTE or more.

IV. Details of Policy

A. Two (2) Types of Pre-Tax Transportation Benefits Plans (PTBP)

Please see below for the detailed RCUH Transportation Fringe Benefit Plan Document.

1. Parking Benefit

Parking expenses incurred to park a vehicle in a lot on or near to the employer's premises or to park a vehicle at a location from which the employee commutes to work.

- a. *Effective Date of Coverage for New Employees:* First day of the month following the employee's date of hire. *Example:* If an employee's date of hire is February 5, the effective date of coverage would be March 1.
- b. *Pre-Tax Payroll Deductions:* Payroll deductions will be taken out from earnings in the first pay period of the month. *Example:* If the employee elects to deduct \$50.00 per month for qualified parking expenses beginning January 1, the

first payroll deduction will be taken from the January 1–15 pay period (deductions will be reflected in the employee’s January 22 online pay statement), and any expenses incurred in January would be reimbursed in February. Subsequent deductions will be taken in the first pay period of each month (1–15) until the employee requests cancellation of the PTBP benefit.

c. The maximum benefit is pursuant to IRS regulations.

2. Transit (Bus Pass) Benefit

RCUH provides transit benefits for TheBus (only available on the island of O’ahu). Passes must be used only for personal use when commuting to work. For information on TheBus, locations, and routes, please refer to www.thebus.org.

a. *Effective Date of Coverage:* Employees hired between the 1st and the 15th of the month will be eligible the first day of the month following their hire date. *Example:* If hired on February 1, benefits are effective March 1. Employees hired between the 16th and the end of the month will be eligible the first day of the second month following their hire date. *Example:* If hired on February 21, benefits are effective April 1.

b. *Deductions:* Payroll deductions will be taken out from earnings in the first pay period of the month. *Example:* If the employee elects to deduct \$60.00 per month for a bus pass beginning January 1, the first payroll deduction will be taken in the pay period of January 1–15 (deductions will be reflected in the employee’s January 22 online pay statement) for February’s bus pass/voucher. Subsequent deductions will be taken in the first pay period of each month (1–15) until the employee requests cancellation.

c. The maximum benefit is pursuant to IRS regulations.

B. Changes/Cancellations and Enrollments Can Be Made at Any Time – If an employee previously declined enrollment, a new enrollment can be made at any time. In addition, changes or cancellations to the PTBP can be made at any time during the plan year. The effective date will be the first of the month depending on when the necessary enrollment form is received.

C. Unused Funds for Parking Will Be Carried Over to the Next Month Within the Plan Year – Any unused amount will carry forward to the following month through the end of the plan year (June 30). At the end of the plan year, employees will have up to ninety (90) days to submit reimbursements before all remaining funds will be forfeited. The employee must remain active in the PTBP in order to be eligible for reimbursement of any remaining monies. Claims for reimbursement must be submitted for claims incurred within the current plan year.

D. Changes/Cancellation of PTBP Participation

1. Loss of Eligibility Due to Reduction in FTE or Termination of Employment: Changes to FTE less than 50% or termination of employment will result in a cancellation of the PTBP.

- a. *Effective Date of Plan Termination:* Termination of the PTBP plan is on the last day of the month in which the reduction in FTE or termination of employment occurred.
- b. *Remaining Monies Are Forfeited:* Upon termination of employment or loss of eligibility, any money that remains in the account is forfeited if no claims for reimbursement are submitted within ninety (90) days after the end of the plan year. *Example:* An employee is currently enrolled in the PTBP with \$60/month deductions for qualified parking expenses. They elect to cancel enrollment effective April 1, but they did not incur a \$60 parking expense in March. If the employee is unable to provide a receipt and claim form for eligible expenses within the ninety (90) day grace period following the end of the plan year, any unused funds will be forfeited.
 - i. Termination of employment: Employees have ninety (90) days from the end of the plan year, September 30, to submit claims for reimbursement for expenses incurred within the plan year up until their effective date of employment termination.
 - ii. Loss of eligibility: Employees have ninety (90) days from the end of the plan year, September 30, to submit claims for reimbursement for expenses incurred within the plan year up until their effective date of loss of eligibility status.
- c. *For Employees Enrolled in Bus Pass Benefit:* Employees enrolled in the plan who receive bus passes may still purchase their bus pass only for the following month if deductions were made in the first pay period of the previous month. *Example:* An employee's last day worked is March 19th; deductions were made in the first pay period of March (1-15). The employee is able to purchase a bus pass that will be valid effective April 1.
 - 1. Loss of Eligibility Due to Leave Without Pay: During a leave of absence without pay (LWP) where there are insufficient earnings in a given pay period to deduct the employee's transportation deductions, employees must **not** purchase their bus pass for the following month or be able to receive a reimbursement for the parking or bus pass (transit) expense. Upon return from leave, the deductions will commence automatically.

E. The RCUH Manages the PTBP Benefit

- 1. The RCUH Determines the Plan/Provider: The RCUH Human Resources Department conducts periodic reviews of the provider service contracts in order to ensure the most cost-effective program is being provided. These reviews may lead to plan modifications, changes in provider, and internal administrative practices.
- 2. Use of a Third-Party Plan Administrator: The RCUH utilizes the services of a third-party plan administrator to assist in administering the pretax transportation benefits plan offered through RCUH.

V. Procedures

A. Procedures for Employees Who Would Like to Enroll in the PTBP

1. Enrollment at the Time of Hire: Employees may elect in the PTBP through the Electronic Hiring System (EHS) when completing the online hire documents.

If employees decline at the time of hire while completing the EHS, they have another opportunity to elect in the benefit by completing and submitting the RCUH Flexible Spending Enrollment/Change Form (B-5F) to the RCUH Human Resources Department at least five (5) days **prior** to the date of hire.

2. Enrollment After Previously Declining at Time of Hire): Employees must complete and submit the RCUH Flexible Spending Enrollment/Change Form (B-5F) to the RCUH Human Resources Department at least thirty (30) days **prior** to the requested effective date of enrollment. *Example*: An employee who wants to enroll effective April 1 must submit the RCUH Flexible Spending Enrollment/Change Form (B-5F) by March 2.

A. Procedures for Employees Who Would Like to Make Changes to Their PTBP

1. Employees must complete the RCUH Flexible Spending Enrollment/Change Form (B-5F) and submit to the RCUH Human Resources Department at least thirty (30) days **prior** to the requested effective date of change/cancellation. *Example*: An employee who wants to make a plan change effective April 1 must submit the RCUH Pretax Change/Cancellation Form by March 2.

B. Procedures for Obtaining Reimbursement for Parking

For forms to claim for reimbursement, [click here](#) for the National Benefit Services (NBS) website.

1. The employee must complete and submit the NBS Parking Claim Form, along with a copy of a receipt or cancelled check (credit card receipts and credit card statements are **ineligible** forms of documentation) to the designated plan carrier.
 - a. Purchase your parking expense out of pocket.
 - b. Keep your receipt for the parking you purchased.
 - c. Submit your receipt along with your completion of the NBS Parking Claim Form directly to NBS.
 - d. In order to get your reimbursements via direct deposit to you instead of waiting for a check in the mail, please complete the NBS Direct Deposit Request Form and submit directly to NBS.
2. The documents must be submitted no later than the ninety (90)-day grace period following the end of the plan year for claims incurred within the current plan year.

Examples:

- a. To receive a monthly reimbursement when the parking expense has been paid in full for the year/semester etc., the NBS Parking Claim Form must be submitted with a copy of the receipt each month. On the receipt the employee can indicate the total amount paid divided by the number of months for parking facilities. For annual parking passes (e.g., January 1 through December 31), the calculation would be as follows: $\$600/12 = \$50/\text{month}$. Therefore, the

employee will be eligible for a \$50/month reimbursement. However, if the employee elects to begin in the PTBP effective July 1, he/she can only claim reimbursements for July through December. The total reimbursement that he/she would be entitled to is \$300 (\$50/month x 6 months).

- b. To receive a monthly reimbursement for parking expenses incurred on a monthly or daily basis, the NBS Parking Claim Form must be submitted with a copy of the receipt(s) each month. If the employee's PTBP starts July 1, with monthly deductions of \$50, but actual parking expenses for the month of July totaled \$65, the employee may submit the reimbursement form with receipt(s) to the designated plan carrier, but will only be eligible for a reimbursement of \$50. The additional \$15 expense incurred may be reimbursed if parking expenses in August total \$35 or less. A receipt for \$35 and reimbursement form would have to be submitted to the designated plan carrier for the remaining reimbursement.
- c. If the employee utilizes parking meters for qualified parking expenses, he/she is permitted by the IRS to write their own receipt for the expenses incurred and submit it along with the reimbursement form to the designated plan carrier.

D. Procedures for Purchasing and Obtaining Reimbursement Bus Passes

1. Employees enrolled in the PTBP electing bus passes must submit a receipt and are reimbursed through the designated plan carrier.
 - a. Purchase your bus pass out of pocket at any of the following locations:
 - i. TheBus Pass Office
 - ii. Foodland Stores (O'ahu)
 - iii. 7-Eleven Stores
 - iv. Satellite City Hall
 - v. UH Mānoa Campus Center
 - vi. Hawai'i Pacific University Book Store
 - vii. Chit Chat Store - Bishop Square
 - viii. Times Supermarket
 - b. For neighbor islands other than O'ahu, Please see below for the links to the bus pass website.
 - c. Keep your receipt for the bus pass you purchased.
 - d. Submit your receipt along with your completed [NBS Parking Claim Form](#) directly to NBS.
 - e. In order to get your reimbursements directly deposited to you instead of waiting for a check in the mail, please complete the [NBS Direct Deposit Request Form](#) and submit directly to NBS.
2. The employee must purchase the bus pass her/himself prior to the following

month.

Example:

An employee who has enrolled in the PTBP effective January 1st will have \$60 payroll deducted in the first pay period (1–15th) of January. The bus pass, which will be valid effective February 1st, must be purchased by the employee from any of the above locations.

VI. Contact

RCUH Benefits: (808) 956-6979

rcuh_benefits@rcuh.com

VII. Relevant Documents

A. Forms

[NBS Transit & Parking Claim Form](#)

[NBS Direct Deposit Request Form](#)

[RCUH Flexible Spending Enrollment & Change Form \(B-5F\)](#)

B. Additional Information

[National Benefits Services Website](#)

[RCUH Transportation Fringe Benefit Plan Document](#)

[Big Island \(Hawai'i\) Location to purchase TheBus pass](#)

[Maui Location to purchase TheBuss pass](#)

[Kaua'i Location to purchase TheBus pass](#)

C. Other Policies

[Policy 3.650 Leave of Absence Without Pay](#)

Date Revised: 12/01/2005, 01/01/2006, 05/04/2009, 06/19/2009, 07/01/2009, 08/18/2011, 05/13/2013, 01/31/2014, 07/15/2014, 07/23/2014, 10/27/2015, 08/02/2016, 04/12/2017, 08/08/2017, 3/9/2018, 2/4/2019, 4/30/2019, 07/19/2019