

Frequently Asked Questions about Qualified Transportation Accounts

Qualified Transportation Accounts (QTAs)

QTA accounts allow employees to allocate pre-tax dollars to pay for eligible work-related transit and parking expenses, governed by IRC Section 132. Consumers can have both a parking account and a transit account, each account is separate, and funds cannot be transferred from one to the other. These pre-tax dollars will continue to roll-over month to month, year to year, as long as you're still with your employer.

1. What are IRS Contribution Limits?

For 2025, you can set aside up to \$325 per month on transit expenses and up to \$325 per month on parking expenses. Under IRS regulations, total contributions (consumer and employer) for a transit or parking plan cannot exceed the pretax monthly contribution limit.

2. What expenses are eligible?

Parking: expenses for parking at or near your work location or at or near a location from which you commute using mass transit.

Transit: expenses include public transportation such as train, bus, monorail, streetcar, subway, ferry. This also includes services such as UberPool and Lyft Shared. Vanpool expenses are eligible, but the highway vehicle must seat at least six adults, excluding the driver.

3. How do I enroll in transit or parking benefits?

Depending on your employer, you can: 1) enroll online directly using the Consumer Portal during open enrollment, 2) enroll via your employer's benefits administration system or 3) enroll via paper or other method preferred by your employer. Employers using methods 2 or 3 will send your enrollment information to us to create your Qualified Transportation Account.

4. What do I do if the cost of my monthly pass changes? Can I update my election amount?

Election amounts can be updated month-to-month. Depending on your employer, you can: 1) update your election directly using the Consumer Portal or 2) update your election in your employer's benefit administration system or other preferred method.

5. When are my funds available?

Funds are available as they are contributed to your account each payroll cycle.

6. How can I use my funds?

First American Bank makes it easy for your employees to pay for eligible transit and parking services with our Health Account Services prepaid debit card. Employees will also have access to manage their commuter benefits with the First American Bank Online Consumer Portal.

For parking and vanpool expenses, you can pay out-of-pocket and request reimbursement for your expenses on the Consumer Portal or mobile app. Reimbursement can be issued via direct deposit to your bank account or check. Mass transit expenses are not eligible for reimbursement per the IRS, when an eligible method such as the benefit debit card is available.



7. Can my spouse or dependent use my Qualified Transportation Account?

No, Transit and/or parking benefits are limited to employee expenses only: reimbursement is not allowed for spouse or dependent transit or parking expenses.

8. What happens if I terminate employment?

Your debit card will be deactivated, and you'll have a run-out period to submit mass transit or parking claims incurred while you were still actively employed. Your employer determines the length of the run-out period. For additional information on the run-out period, refer to your employer's Adoption Agreement. After the run-out period ends, any remaining funds in your account are forfeited back to your employer's plan.

9. What happens if I choose to no longer participate in QTA but I'm not terminating employment?

You can continue to submit mass transit and parking claims for a set amount of time determined by your employer's plan design, also known as the run-out period. Your debit card will no longer work for mass transit and parking expenses, and any orders will not be fulfilled.

10. What if I have dollars remaining at the end of the year? What if I have dollars remaining from my employer's prior administrator?

At the end of the plan year, funds will automatically roll over to the new plan year. Since QTA is a month-to-month benefit, you aren't required to re-enroll. If you have funds remaining from a previous administrator, then your employer will provide the necessary information and we can add the appropriate balances to your account for you to use.