

# State of Wisconsin Department of Employee Trust Funds Transit and Parking Plan Document



As Adopted Effective: January 1, 1990  
Amended & Restated: January 1, 2024

Note: This document should be reviewed and approved by the Employer's legal counsel prior to being amended.

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## **ARTICLE I: INTRODUCTION**

### **1.01 Introduction.**

The State of Wisconsin (the “Employer”) has established the Transit and Parking Plan (“Plan”), which is effective as of the date set forth in the Plan Information Appendix. It is intended that the Plan will constitute a “Transportation Fringe Benefit Plan” that has been described in Section 132(f) of the Internal Revenue Service (“IRS”) Code of 1986 and the regulations issued thereunder, as amended from time to time.

### **1.02 Purpose and Scope.**

The purpose of the Plan is to allow Eligible Employees to set aside otherwise taxable compensation on a pre-tax basis for Reimbursement of Eligible Transportation Expenses.

### **1.03 Documentation.**

This Plan Document, including the Plan Information Appendix attached hereto, constitutes the official plan document of the Plan. No terms of any other document relating to the Plan shall be binding on the Employer and/or Plan Administrator except as specifically set forth herein.

## ARTICLE II: DEFINITIONS

The terms used in this Plan Document shall have the meanings set forth in this Article II unless the context in which they are used clearly indicates that some other meaning is intended.

### 2.01 “Adopting Employer”

means any entity which is a member of a group that includes the Employer that is defined in Code §414(b) or (c) and who has been authorized by the Employer to adopt the Plan for the benefit of its Eligible Employees and has so adopted the Plan and this Plan Document.

### 2.02 “Commuter Highway Vehicle”

means any highway vehicle (including a van pool operated by an Adopting Employer, Employee, private or public entity):

- (a) That has a seating capacity of at least 6 adults (excluding the driver), and
- (b) For which at least eighty percent (80%) of the mileage of such vehicle is reasonably expected to be used:
  - (1) for transporting Employees in connection with travel between their residences and their place of employment, and
  - (2) on trips during which the number of Employees transported for such purposes is, on average, at least one-half of the adult seating capacity of such vehicle (excluding the driver).

### 2.03 “Code”

means the Internal Revenue Service Code of 1986, as amended.

### 2.04 “Compensation”

means the cash wages or salary paid to an Employee by the Adopting Employer.

### 2.05 “Coverage Period”

means the monthly, quarterly, semi-annual, annual (or other) period designated by the Employer in the Plan Information Appendix and/or in its enrollment material during which a Salary Reduction Agreement is effective and irrevocable.

### 2.06 “Effective Date”

means the date the Plan was established. The Effective Date of the Plan is identified in the Plan Information Appendix.

### 2.07 “Eligible Transportation Expenses”

mean those Qualified Parking and Qualified Transit Fare expenses incurred by an Employee after the Effective Date of the Plan, after the date the Eligible Employee becomes a Participant, and prior to the date the Employee ceases to be a Participant or to use a Commuter Highway Vehicle, transit pass, or Qualified Parking for purposes of transportation between an Employee’s residence and place of Employment.

**2.08 “Employee”**

means an individual who the Employer classifies as a common-law Employee and who is on the Employer’s W-2 payroll but does not include an individual classified by the Employer as a contract worker or independent contractor.

**2.09 “Employer”**

means State of Wisconsin.

**2.10 “Participant”**

means an Employee who has satisfied the eligibility requirements of Section 3.01 herein and has made an election in accordance with Section 3.02 herein.

**2.11 “Plan”**

means the Transit and Parking Plan, as described in this Plan Document, which may be amended from time to time.

**2.12 “Plan Administrator”**

means the committee or other person(s) appointed by the Employer with the authority, discretion, and responsibility to manage and direct the operation and administration of the Plan.

**2.13 “Plan Year”**

means the Plan’s 12 month account period, which begins on January 1 and ends on December 31.

**2.14 “Qualified Parking”**

means the following types of parking:

- (a) On or near the business premises of the Adopting Employer;
- (b) On or near a location from which the Participant commutes to work:
  - (1) On mass transit facilities, whether or not publicly owned,
  - (2) In a “Commuter Highway Vehicle,” or
  - (3) In a car or van pool (i.e., two or more individuals who commute together in a motor vehicle on a regular basis).

“Qualified Parking” does not mean parking on or near property used by the Employee for residential purposes. If more than one Participant participates in a car or van pool, and a Qualified Parking space has been obtained by one of the Participants as a result of a membership in such car or van pool, the rules and limitations of the Plan apply to the Participant to whom the space has been assigned. If no Participant has been assigned to the Qualified Parking space, the Adopting Employer will, in its sole discretion, assign the Qualified Parking space to one of the Participants.

**2.15 “Qualified Transit Fare”**

means a pass, token, Voucher, or similar item entitling a person to transportation (or transportation at a reduced price) satisfying either of the following conditions:

- (a) On mass transit facilities, whether or not publicly owned; or

(b) Provided by any person in the business of transporting persons for compensation or hire if such transportation is provided in a vehicle with a seating capacity of at least six adults (excluding the driver).

**2.16 “Reimbursement”**

means direct cash reimbursement of Eligible Transportation Expenses incurred by a Participant, or alternatively, indirect reimbursement of Eligible Transportation Expenses incurred by a Participant through a Voucher or direct payment to the transportation service provider.

**2.17 “Salary Reduction Agreement”**

means the actual or deemed agreement pursuant to which an Eligible Employee enrolls in the Plan in accordance with Article III.

**2.18 “Third-Party Administrator” or “TPA”**

means an organization selected to assist in administration of the Plan. The current TPA of the Plan is Optum Financial, Inc. (“Optum”).

**2.19 “Voucher”**

means an instrument (including an electronic payment card) that is accepted for Eligible Transportation Expenses.

## **ARTICLE III: ELIGIBILITY AND PARTICIPATION**

### **3.01 Eligibility.**

Each Employee who satisfies the “Eligibility Requirements” described in the Plan Information Appendix shall become eligible to participate in the Plan and deemed an “Eligible Employee.” An Eligible Employee shall become a Participant when they satisfy the requirements of Section 3.02 herein.

### **3.02 Election of Benefits.**

- (a) An Eligible Employee may become a Participant by completing and submitting a Salary Reduction Agreement through an on-line process approved by the Plan Administrator whereby the Employee agrees to reduce their Compensation by the amount of Eligible Transportation Expenses they expect to incur during a future Coverage Period, not to exceed the applicable Monthly Limits set forth in the Plan Information Appendix. The pre-tax Compensation reduction may exceed the Monthly Limits set forth in the Plan Information Appendix if the election is for more than one future Coverage Period and the monthly pro-rated election amount does not exceed the applicable Monthly Limits. An amount equal to the elected amount for the Coverage Period divided by the number of pay periods during the Coverage Period will be deducted from each paycheck during the Coverage Period.
- (b) An Eligible Employee may make an election to Participate in accordance with this Section 3.02 at any time after the requirements in Section 3.01 have been satisfied. Such election will be effective no earlier than the first Coverage Period following the date the election to participate is made or the date the Employee first becomes eligible, whichever is later. To the extent set forth in the enrollment material, the Plan Administrator may deem each Eligible Employee who has satisfied the Eligibility Requirements set forth in the Plan Information Appendix a Participant in the Plan unless the Employee affirmatively elects not to participate.
- (c) Such pre-tax salary reductions will continue each Coverage Period unless changed or revoked (prospectively) by the Employee pursuant to Section 3.04 and 3.05 herein.

### **3.03 Accounts.**

The Employer will create and maintain a bookkeeping account (“Account”) on behalf of each Participant for one or both of the following types of expenses, to the extent elected by the Eligible Employee in accordance with Section 3.02 herein:

- (a) Qualified Transit Fare Expenses; and/or
- (b) Qualified Parking Expenses

The Account(s) will reflect the accumulated amount of Compensation that has been deducted on a pre-tax basis from the Employee’s Compensation for each such type of expense, as set forth on the Salary Reduction Agreement. The balance of the Account(s) will be reduced by the amount of each Reimbursement made in accordance with the terms of the Plan. Amounts allocated to one Account per the Salary Reduction Agreement can be transferred to the other Account upon approval by the Plan Administrator. The amounts to be excluded from gross income under Code § 132 shall not exceed \$280 per month per account.

### **3.04 Election Changes.**

A Participant may revoke or change an election at any time pursuant to procedures established by the Plan Administrator. Such revocation or change of election shall not be effective until the first day of the Coverage Period following the Coverage Period during which the election change was made.

### **3.05 Termination of Participation**

Participation in the Plan shall terminate on the earliest of the following to occur:

- (a) the date the Employer terminates the Plan,
- (b) the date the Participant terminates employment, or
- (c) the end of the Coverage Period during which the Participant revokes their Salary Reduction Agreement in accordance with Section 3.04 herein. Notwithstanding the preceding sentence, a former Participant who has revoked their Salary Reduction Agreement but is still an Employee as defined herein may be permitted, to the extent as set forth in the Plan Information Appendix, to continue participating until coverage ends as set forth in (a) or (b) above and to receive Reimbursement for Eligible Transportation Expenses incurred after the effective date of the revocation up to the Participant's Account(s) balance. If permissible, all Reimbursements received for Eligible Transportation Expenses incurred after the effective date of the Salary Reduction Agreement revocation are subject to the terms of the Plan.

For purposes of Transit Fare Expenses provided in the form of a transit pass or Voucher by an Employer, the value of such coverage provided to an Employee for entire month(s) in which the Participant is not an Employee shall be included in the Participant's gross income for income tax purposes. The same amount shall be excluded from the Participant's gross income for purposes of reporting unemployment tax unless, prior to the beginning of the Coverage Period during which the Participant's employment terminated, the effective date of the termination was established to begin prior to the first day of the last month of the Coverage Period.

### **3.06 Forfeiture of Unused Amount in Account.**

Any unused amounts in a Participant's Account(s) that have not been used for Eligible Transportation Expenses incurred prior to the end of any Coverage Period will be carried over to the subsequent Coverage Period (see Section 3.09 for Minimum Carryover and Elections). Any amounts in a Participant's Account(s) that have not been used for Eligible Transportation Expenses incurred before the date the individual ceases to be a Participant in accordance with Section 3.05 shall be forfeited and returned to the Employer to be used in the sole discretion of the Employer. Forfeited amounts cannot be paid out in any cash arrangement to the Participant. Transit and Parking funds can only be used to pay for Eligible Transportation Expenses.

### **3.07 Substantiation of Expenses.**

Substantiation is not required for Parking Plan expenses paid by payment card as those expenses will be auto-substantiated automatically using IIAS codes. Adequate substantiation such as a third-party receipt or attestation will be required for any manual claims. It is recommended that Participants retain receipts for any Eligible Transportation Expenses paid out-of-pocket for personal records for seven (7) years.



### **3.08 Reimbursement of Expenses.**

- (a) The Employer will provide Reimbursement of Eligible Transportation Expenses on an administratively convenient periodic basis. The amount of any Reimbursement shall not exceed the lesser of the specific Account balance or the applicable Monthly Limit set forth in the Plan Information Appendix.
- (b) Under the Plan, Participants have several reimbursement options.
  - (1) Complete and submit a written claim form for reimbursement (“Request for Reimbursement”). When an Eligible Transportation Expense is incurred, file a claim with the Benefit Administrator by completing and submitting a Request for Reimbursement Claim Form. Participants may obtain a Request for Reimbursement Claim Form by downloading the form from their online Optum account at [www.myoptumfinancial.com/etf](http://www.myoptumfinancial.com/etf) (enter the Participant’s username and password) or by phoning Optum at (833) 881-8158. The Benefit Administrator will process the claim and the Participant will receive notification that the claim has been approved.
  - (2) For Parking reimbursement only, use an electronic payment card to pay the expense. In order to be eligible for the electronic payment card, a Participant must agree to abide by the terms and conditions of the electronic payment card program (the “Program”) as set forth herein and in the electronic payment card Cardholder Agreement (the “Cardholder Agreement”) including any fees applicable to participate in the Program, limitations as to card usage, the Plan’s right to withhold and offset for ineligible claims, etc.
  - (3) File a claim directly from their online account at [www.myoptumfinancial.com/etf](http://www.myoptumfinancial.com/etf). Participants may submit claims from their account, online directly to the Benefit Administrator. No printing is required. Participants will sign into their account and click “*Reimburse Myself*” and begin the online process of filing a claim.
  - (4) File a claim from their mobile phone via the Optum mobile application. Participants can submit claims from their smartphone by downloading the Optum mobile application available for Apple or Android phones. Information on using the mobile application can be found on the Employer website under the members’ section and the TPA’s website. (Note: the mobile application is not available until the Participant’s Account is active.)
  - (5) Special valuation rule for van pools. If a Participant incurs or pays an expense in a Commuter Highway Vehicle that is a car or van pool, the value of such expense shall be determined in accordance with Treas. Reg. 1.132-9, Q-21. A State van pool program that is pre-tax deducted via an employee payroll is not eligible for reimbursements.

### **3.09 Minimum Carryover and Elections.**

An unused balance under the minimum requirement of \$50 at the end of a Plan Year will require a minimum annual election of \$50 in the new Plan Year for the balance to be carried over or the balance will be forfeited. An unused balance greater than the minimum requirement of \$50 at the end of the run-out period (90 days after the Plan Year has ended) will be automatically carried over into the new Plan Year. A Participant must maintain active employment status on December 31 in the Plan Year to be eligible for the carryover.

## **ARTICLE IV: ADMINISTRATION**

### **4.01 Plan Administrator.**

The Plan Administrator is identified in the Plan Information Appendix.

### **4.02 Powers and Duties of the Plan Administrator.**

The Plan Administrator shall have exclusive responsibility for, and all powers necessary or desirable to carry out, the administration of the Plan and, without limitation on the foregoing, shall have complete discretionary power and authority to:

- (a) Adopt any rules and regulations it deems desirable for the conduct of its affairs and the administration of the Plan;
- (b) Take any action it deems necessary or appropriate to comply with any requirements of applicable law with respect to notice and disclosure and the preparation and filing of reports and forms, if necessary;
- (c) Construe and interpret the Plan and make determinations (including factual determinations) under the provisions of the Plan with respect to all rights, benefits, duties, and entitlements, including but not limited to eligibility for benefits, amounts of benefits payable, and all other matters pertaining to the operation and administration of the Plan, all of which determinations are to be made in the Plan Administrator's sole discretion;
- (d) Appoint or employ persons to assist in the administration of the Plan (such as the Benefit Administrator); and
- (e) Make any equitable adjustments to correct any error or omission discovered in the administration of the Plan.

### **4.03 Indemnification.**

The Employer and each Adopting Employer shall indemnify and hold harmless the Plan Administrator from and against any liability, loss, cost, or expense arising from any action or inaction by such parties in connection with their responsibilities under the Plan.

## **ARTICLE V: AMENDMENT AND TERMINATION**

The Employer may at any time (1) amend the Plan described in this Plan Document in any manner it deems advisable, (2) terminate or limit the Plan described in this Plan Document, or (3) terminate or limit the participation in the Plan by any Adopting Employer, effective as of the date specified in the instrument of amendment or termination. Such amendments may be retroactive to the extent deemed appropriate by the Employer and may be made in contemplation of, or with specific reference to, a particular transaction, job elimination, reduction in force, or similar event.

## **ARTICLE VI: MISCELLANEOUS**

### **6.01 Right to Assets.**

Neither the establishment of the Plan nor the payment of benefits under the Plan shall be construed as giving any legal or equitable right to any Participant or former Participant against the Employer or its officers or employees except as expressly provided herein, and all rights under any Plan shall be satisfied, if at all, only out of the general assets of the Employer.

### **6.02 No Inducement, Contract or Guarantee of Employment.**

The Plan does not constitute inducement or consideration for the employment of any Participant, nor is it a contract between any Adopting Employer and Participant. Participation in the Plan shall not give any Participant any right to continued employment with their Adopting Employer, and the Adopting Employer retains the right to hire and discharge any Participant at any time, with or without cause, as if the Plan had never been adopted.

### **6.03 Spendthrift.**

Except as permitted by law and this section, no assignment of any rights or benefits arising under the Plan shall be permitted or recognized. The Employer shall not be liable for or subject to the debts, contracts, liabilities, or torts of any person entitled to benefits under the Plan.

### **6.04 Conclusiveness of Records.**

The Employer's records with respect to an Employee's age, service, employment history, employment termination, compensation, absences, illnesses, and all other relevant matters shall be conclusive for purposes of the administration of the Plan.

### **6.05 Payment of Administration Expenses.**

The Employer and, to the extent deemed appropriate by the Plan Administrator, the Adopting Employers, shall pay all the expenses of administration of the Plan and the expenses of the Plan Administrator, and any other expenses incurred at the direction of the Plan Administrator.

### **6.06 Governing Law.**

The Plan shall be governed, construed, administered, and regulated in all respects under the rules and regulations of the Internal Revenue Code and the laws of Wisconsin.

### **6.07 Right to Require Information and Reliance Thereon.**

The Plan Administrator shall have the right to require Employees and/or Participants to provide the Plan Administrator or its agents with such information, in writing, and in such form as it may deem necessary for the administration of the Plan, and such parties may rely on that information in carrying out their duties hereunder.

**6.08 Construction.**

One gender includes the other, and the singular and plural include each other when the meaning would be appropriate. The Plan's headings and subheadings have been inserted for convenience of reference only and must be ignored in any construction of the provisions. If a provision in this Plan Document is illegal or invalid, that illegality or invalidity does not affect other provisions. Any term with an initial capital not expected by capitalization rules is a defined term according to Article II.

**6.09 Notification of Employees.**

The Employer shall communicate in writing the terms and conditions of the Plan to all Eligible Employees.

**6.10 Taxability of Benefits.**

The Employer makes no guarantee as to the excludability of benefits under the Plan from federal, state, or local taxes, and it shall be the Participant's sole responsibility to pay any taxes due as a result of the payment of benefits hereunder.

## PLAN INFORMATION APPENDIX

This Plan Information Appendix provides information specific to the State of Wisconsin Transit and Parking Plan and is hereby incorporated into, by reference, and made a part of the Transit and Parking Plan Document.

This Plan Information Appendix is effective beginning January 1, 2024 and supersedes all prior Transit and Parking Plan Information Appendices with an earlier effective date.

### I. PLAN INFORMATION

1. Name, address, and telephone number of the Employer:	STATE OF WISCONSIN Department of Employee Trust Funds P.O. Box 7931 Madison, WI 53707-7931 608-266-2640 608-267-0633 (F)
2. Name, address, and telephone number of the Plan Administrator:	Same as Employer
3. Employer's federal tax identification number:	39-1103756
4. Controlling Law:	Wisconsin
5. Initial Effective Date of the Plan:	January 1, 1990
6. Amended and Restated Effective Date of the Plan:	January 1, 2024
7. Plan Year:	January 1 through December 31
8. Adopting Employers participating in the Plan:	All State of WI agencies as defined in Wis. Stat. 40.02(54), except UW Hospitals & Clinics employees
9. Third-Party Administrator:	Optum Financial, Inc. 307 International Circle, Suite 200 Hunt Valley, MD 21030 of-service@of.optum.com 833-881-8158

### II. ELIGIBILITY

All State of Wisconsin Employees (except for UW Hospitals & Clinics employees), including limited term employees, are eligible to participate. Spouses and dependent children are not eligible, nor is any Employee eligible who is enrolled in a State of Wisconsin rideshare or van pool program. The Employee's commencement of participation in the Plan is conditioned on the Employee properly completing and submitting a Salary Reduction Agreement through an on-line process as set forth in Section 3.02 herein.

### III. EXPENSES INCURRED AFTER REVOCATION OF ELECTION

Expenses incurred after the effective date of a Participant's revocation of participation in the Plan may or may not be reimbursed in accordance with the terms of the Plan.

#### IV. COVERAGE PERIOD

An Eligible Employee may enroll in the Plan at any time, and a Participant may make an election change without a qualifying life event at any time. Coverage elections and election changes are not effective until the first of the month following the election. See Article II: Definitions for the definition of Coverage Period.

#### V. MONTHLY LIMITS

Reimbursement of Eligible Transportation Expenses each month is limited to the lesser of the applicable Account balance or the following (to the extent elected by the Participant):

1. For **Commuter Highway Vehicles** and **Qualified Transit Fares** (Transit Account), the monthly pre-tax contribution limit is set forth in Treasury Reg. 1.132-9(b), Q/A 7(a), as indexed for inflation. See Table 1 below for the monthly Transit Account contribution limits.
2. For **Qualified Parking** (Parking Account) the monthly pre-tax contribution limit is set forth in Treasury Reg. 1.132-9(b), Q/A 7(b), as indexed for inflation. See Table 1 below for the monthly Parking Account contribution limits.

**Table 1. Transportation Fringe Benefit Plan Account Monthly Contribution Limit**

<b>Transportation Fringe Benefit Account Type</b>	<b>2023</b>	<b>2024</b>
Transit Account	\$280	\$300
Parking Account	\$280	\$300

#### VI. SUBSTANTIATION PERIOD

Substantiation is not required for the Parking Plan expenses paid by payment card as those expenses will be auto-substantiated automatically using IIAS codes. Substantiation is required for Transit Plan expenses as those expenses will be paid manually. Adequate substantiation such as a third-party receipt or attestation will be required for any manual claims. It is recommended that Participants retain receipts for any Eligible Transportation Expenses paid out of pocket for personal records for seven (7) years.