

Reduce your vanpool cost in 2002 with new fringe benefit

Effective Dec. 15, employees of Fluor Hanford, Duratek Hanford, Day and Zimmermann Protection Technology Hanford, Numatec Hanford and CH2M HILL Hanford Group will be able to enroll in a new transportation benefit deduction plan for 2002.

Qualified Transportation Fringe Benefit

Starting next month, section 132 of the Internal Revenue Code allows you to elect to have up to \$100 per month deducted from your compensation, on a pre-tax basis, to be used for qualified commuting costs.

If you commute to your work location via public transit or a "commuter highway vehicle" and pay a monthly fee to do so, you will be able to have the amount, up to \$100 a month, deducted on a pre-tax basis from your regular wages. Depending on your current federal income-tax bracket, this pre-tax deduction could result in a tax benefit ranging from \$22.65 up to \$46.25 per month.

What vehicles qualify?

The Internal Revenue Service defines a commuter highway vehicle as:

- one having a seating capacity of at least six adults
- one in which at least 80 percent of the vehicle's mileage is for transporting employees to their work locations
- one in which employees occupy at least half of the vehicle's seats, not including the driver's seat.

A Ben Franklin Transit vanpool would qualify, but employee-provided private carpools are not eligible.

How does it work?

If you wish to participate in the plan, complete and submit to Fluor Hanford Payroll (mailstop H3-18) a Payroll Deduction Authorization form (A-6003-301) between Dec. 15 and Dec. 24. This will authorize the deduction from your first paycheck of each month in 2002.

After (and *only* after) commuting expenses are incurred, complete and submit to FH Payroll a Request for Reimbursement and Certification form (A-6003-302) to request and authorize reimbursement of the previously deducted amount. The reimbursement request must be submitted less than 90 days after you paid for the transportation. Reimbursements for qualified expenses will be included in your next regular paycheck within 20 days of the request for reimbursement.

Enroll by Dec. 24

If you wish to have a deduction taken from your first paycheck in January, submit the Payroll Authorization form to FH Payroll no later than Monday, Dec. 24. You may elect to participate in the plan at any time during the year, but you may not change the deduction amount during the calendar year.

You may also elect to terminate your participation in the plan at any time during the year, but if you terminate before the end of the calendar year you may not re-enroll in the plan until the next calendar year.

If you wish to continue participating, you must enroll each calendar year. Any amount remaining in your account at the end of the calendar year will not be cashed out, but will be carried forward and applied toward qualified transportation fringe benefits in the next coverage period.

If you terminate your employment, any amount credited to the account that is not reimbursed as a qualified transportation fringe benefit expense paid before termination will be forfeited. If you terminate participation in the plan, any amount not reimbursed as a qualified expense within 90 days will be forfeited.

For additional information about the Qualified Transportation Fringe Benefit Plan, send an e-mail message to *Payroll Questions PHMC. ♦