



Commuter Spending Accounts
Save money on your commute
while you're saving the planet.

Commuter Spending Accounts offer you tax advantages,
for participating in mass transit, vanpooling, or parking for work.

Join The Network Effect.

verizon[✓]



Join The Network Effect. Commute.

Who administers Commuter Spending Accounts?

Verizon has selected ADP, LLC, to administer the program. ADP has a successful track record as a third party benefits administrator for large organizations. ADP will coordinate your CSA election and answer any questions you may have. ADP will also handle your direct payments to parking operators, mail your passes from the transit authorities, or manage the reimbursement process if you are filing parking claims.

What are Commuter Spending Accounts?

As a result of IRS Code 132(f), Verizon offers employees a tax-advantaged way to pay for commuter expenses. The Code was written to positively impact the environmental effects of single person transit by promoting travel via mass transit, vanpooling, or parking through an array of tax incentives. Commuter Spending Accounts allow you to request that before- and after-tax payroll deductions be deposited into transportation and/or parking accounts to pay for your eligible commuting expenses. The details of the program are found in the following pages of this brochure.

The Commuter Accounts

The Transportation Account

You may elect deductions of before- and after-tax dollars from your paycheck to cover mass transit and vanpooling expenses associated with your travel to and from work. Each deduction amount is based on your transportation expenses and pay cycle.

If you use transit passes, Verizon buys them for you one month in advance, and you reimburse Verizon through the deductions you authorize from your paycheck during the actual month you are using a transit pass. The cost of the transit pass is deducted on a before-tax basis up to the amount allowed under IRS regulations. Costs of the transit pass which exceed the IRS limit on before-tax contributions are deducted on an after-tax basis.

Employees may also use a Commuter Check Card to pay for their monthly transit expenses at selected mass transit providers. The Commuter Check Card is a reusable stored value card, meaning that additional funds can be added to the card using standard enrollment methods. The amount elected on the card is subject to the same IRS before-tax limitations as the transit pass.

The Parking Account

You may elect deductions of before- and after-tax dollars from your paycheck to cover parking expenses associated with your travel to and from work. Each deduction amount is based on your parking expenses and pay cycle. If you elect to direct pay your parking expenses to a participating parking facility, Verizon pays the facility one month in advance, and you reimburse Verizon through the deductions you authorize from your paycheck during the actual month you are using the facility. You may also use the commuter check card to pay for these expenses.

Who is eligible for the Commuter Spending Accounts?

Active Verizon management employees are eligible to participate in the program. Active Associate employees for whom this benefit is bargained are also eligible to participate. You are not eligible to use the benefit if you are not actively at work.



A CSA Saves You Money.

The Advantage of Flexibility

With Commuter Spending Accounts, you can elect what works for you. On a monthly basis, you elect the amount you want to contribute to your account(s), depending on your estimated transportation and/or parking expenses. You can modify your contributions as your transportation needs change throughout the year.

* Our Annual Tax Savings Example is intended to demonstrate the typical tax savings from Federal Income Tax and the Social Security Tax that an employee would enjoy. Actual savings will vary, based on the employee's individual tax situation.

What are the advantages of the Commuter Spending Accounts?

The Advantage of Savings on Federal Taxes

The main advantage of the Commuter Spending Accounts is that they save you money on your taxes. When you contribute to these accounts, you are reducing your taxable income. Without the program, you would still pay for these expenses, but you would do so using the dollars remaining in your paycheck after taxes are withheld. Cost savings are derived from the before-tax deductions so the savings will vary. For example, an employee who earns \$60,000 in taxable income and files married-jointly could be taxed at a combined 32.65% rate (25% for Federal Income and 7.65% for Social Security). If this employee makes the maximum deductions for both Transit (\$255) and Parking (\$255), he or she would **save approximately \$1,998 a year** (\$510 per month times the combined 32.65% tax rate equals \$166.52 per month, or \$1,998 annually). Alternatively, if the same employee only elects the Parking account and has \$255 per month deducted, he or she would **save approximately \$999 a year** (\$255 per month times the combined 32.65% tax rate equals \$83.26 per month or \$999 annually).

Annual Tax Savings Example*

Taxable Income	\$60,000	\$60,000
Tax Rate (married, filing jointly)	25% (Federal) + 7.65% (Social Security) 32.65%	25% (Federal) + 7.65% (Social Security) 32.65%
Deductions: for Transit/month = for Parking/month =	\$255/month + 255/month 510/month	\$255/month 255/month
Deductions x Tax Rate =	\$166.52/month	\$83.26/month
x 12 months =	\$1,998/year	\$999/year

Depending on where you live and work, additional savings on state and local taxes could be available. Please consult your tax advisor for more information on your individual state and local tax savings. The annual tax savings example shown in the chart does not include any estimate of state and local tax savings.

The Advantage of Direct Payment to Commuter and Parking Providers

With the program you elect the amount to be deducted automatically from your paycheck, and tell ADP how you commute to work. ADP will mail the pass you need to your home every month. If you drive to work, you can have ADP pay a participating parking facility for you every month.

The Advantage of a Commuter Check Card

The Commuter Check Card option can be used for both commuter and parking expenses. If you select the Commuter Check Card, the card will be sent to your home with the amount of your election already stored. The card is reusable, so your monthly election will be added to the same card each month and automatically deducted after each use.

The Advantage of Parking Reimbursement

If your parking expenses are unpredictable, or your parking facility does not accept direct payment, you can pay these expenses yourself and be reimbursed. Simply elect the amount you pay for parking. Then complete a claim form providing proof of service each month.



Enrolling Is Easy.

With Commuter Spending Accounts you can:

1

Reduce your taxes.

2

Get monthly transit passes delivered to your home.

3

Authorize direct payment to some parking facilities.

4

Manage your accounts online—24 hours a day, seven days a week.

What expenses are eligible?

The program covers eligible transportation and parking expenses that you incur as you travel to and from work. There are two types of CSAs:

Transportation Account

This account includes transportation expenses for mass transit facilities or a vanpooling commuter vehicle. A vehicle is generally considered a vanpooling commuter vehicle if it seats at least six adults (not including the driver) and at least 80% of the vehicle's mileage is used to transport employees to and from their workplace.

Parking Account

This account includes parking expenses for any type of vehicle parked either near your workplace or at a location from which you commute to work via mass transit or vanpool.

How much can I contribute?

Based on IRS regulations, your monthly before-tax contribution cannot exceed \$255 per month for the Transportation Account and \$255 per month for the Parking Account. These amounts are subject to change, based on IRS indexing. If there is a change in the contribution amount, it will be published at myspendingaccount.adp.com/commuter.

To determine your potential tax savings with the program, simply calculate your monthly transportation and/or parking expenses by accessing the interactive calculator at myspendingaccount.adp.com/commuter. The ADP calculator will help determine the before-tax and after-tax amounts, based on the cost of your monthly eligible commuting expenses. IRS guidelines prevent ADP from returning any unused funds in your Commuter Spending Accounts to you. Plan wisely when determining how much to contribute to your accounts to avoid forfeiting unclaimed money when you leave active employment with Verizon. (See the Q & A section for more details.)

You can also have after-tax deductions made in order to pay the full cost of transit passes and/or direct pay parking through your Commuter Spending Accounts.

How do I enroll?

Once you have decided how much to put into your Commuter Spending Accounts, you can enroll at myspendingaccount.adp.com/commuter. Click on "Participant Login", then on the tab "Commuter Enroll" to go to the "Ordering Platform." Then, follow the instructions to enroll. If you have questions please call **1-888-999-0656** to speak with a Benefit Counselor.



Enroll In A CSA Today.

Need help with the figures?

Go online to
myspendingaccount.adp.com/commuter
to calculate your monthly
transportation and/or parking
expenses, and potential
tax savings.

The Transportation Account

- 1) Enter your e-mail address.
- 2) Select your Greater Metropolitan Area.
- 3) Select your Provider. *(If your mass transit provider is not listed, please call ADP at 1-888-999-0656 for additional instructions on your pass selection.)*
- 4) Select a pass or the Commuter Check Card. The selected pass or card will be mailed directly to your home. Be sure to validate your mailing address.

The Parking Account

- 1) Enter your e-mail address.
- 2) Complete required fields.
- 3) Select the Commuter Check Card. The card will be mailed directly to your home. Be sure to validate your mailing address.

The Direct Pay Parking Account

- 1) Enter the name of your parking provider and the state in which it is located.
- 2) If the parking provider is not on the master list, you will need to supply the address and phone number of the provider.
- 3) Supply your account number or other identifier and confirm your transaction. Your parking provider will be paid directly.

Parking Reimbursement Claims

When you incur an eligible expense that has not been either paid directly or purchased with the Commuter Check Card, simply complete a claim form that includes an expense affidavit and submit your signed claim, including all receipts, for reimbursement.

Fax to: **1-866-643-2219** or

Mail to: **ADP
Commuter Spending Accounts
P.O. Box 34700
Louisville, KY 40232**

Claim forms can be downloaded at **myspendingaccount.adp.com/commuter**. You can also view the status of your claim online within 24 hours after it is received. It is not necessary to submit a reimbursement claim for mass transit passes or direct parking payments.

Please Keep in Mind

Reimbursement is available up to the amount of eligible expenses incurred during that month. Any unclaimed funds after 180 days from the month elected will be forfeited.



Get The Facts.

Every day at Verizon
we know what a network
of people working
together can accomplish.

So please help us
preserve and protect the
environment by using
alternative transportation
modes to and from work.

And when you do, you'll
get the benefit of tax
savings with Commuter
Spending Accounts.



How can I find out more information?

Online

Complete Commuter Spending Accounts information is available 24 hours a day, seven days a week at myspendingaccount.adp.com/commuter. You can view your account balance and claim history and get information about the program.

Just enter your personal identification information on the secure login screen to access account information, including your current election, current balance and claim payment amounts. ADP uses 256-bit encryption to protect the privacy of your information.

Touch-Tone Phone

With ADP's interactive **AccountLINK** system, access to your Commuter Spending Accounts is just a phone call away—24 hours a day, seven days a week. You will be asked to enter your Participant ID and your date of birth. The system will walk you through the rest.

Benefit Counselor

Call the Commuter Spending Accounts Customer Service Center at **1-888-999-0656**. Benefit Counselors are available to assist you Monday through Friday from 8:00 a.m. to 8:00 p.m. ET.



Frequently Asked Questions

Q
What does
“before-tax”
mean?

A
It means that commuting expenses you have elected are deducted from your paycheck prior to federal, state, and local taxes being applied to your pay. This lowers your taxable income, and you pay fewer taxes.

ENROLLMENT/PARTICIPATION

1) Q: Can I participate in both the Transportation and Parking Accounts?

A: Yes. You can set aside funds in one or both of the accounts to cover your expected commuting expenses.

2) Q: If I have both Transportation and Parking Accounts, can I transfer funds from one account to the other?

A: No. Funds are not transferable between the two accounts.

3) Q: If I have both Transportation and Parking Accounts, can I transfer funds between my before-tax and after-tax balances?

A: No. Funds are not transferable between balances.

4) Q: Are there any deadlines?

A: Yes. The monthly deadline determines when your request to enroll, change, or cancel your participation will take effect. Your elections for transit and parking must be submitted by the 10th of the month for the following month’s participation. For example, if purchasing a transit pass, you must enroll for the transit pass by April 10th to receive your May transit pass. In the New York area, Long Island Railroad and Metro-North Railroad require that you enroll by the 4th of the month for the following month’s participation.

5) Q: Are there any exceptions to the 10th of the month deadline for ordering transit passes?

A: Yes. In the New York area, Long Island Railroad and Metro-North Railroad require that passes be ordered by the 4th of the month for the following month’s pass.

6) Q: If I contribute \$255 a month to my Parking Account and my parking expenses for one month are less than \$255, but are more than \$255 the next month, can the unused funds from the previous month be applied toward the following month’s expenses exceeding \$255?

A: Yes. There is a limit on the monthly pretax amount that can be loaded on the card; however, any unused balance will be available for use as long as you are actively employed.

7) Q: In addition to my contributions, are there any costs I need to pay to participate in Commuter Spending Accounts and take advantage of the tax savings?

A: No. There are no administrative charges to employees who enroll in the program.

8) Q: After I enroll, when will the program take effect?

A: If you enroll between the 1st and the 10th of the month, your Commuter Spending Accounts participation will become effective the 1st of the following month. If you enroll between the 11th and the end of the month, your program participation will become effective the 1st day of the 2nd month. For example, if you enroll on December 10th, your program participation will become effective on January 1st. If you enroll on December 11th, your program participation will become effective on February 1st. In the New York area, Long Island Railroad and Metro-North Railroad require that you enroll by the 4th of the month for the following month’s participation.



Frequently Asked Questions

Q

If I do not elect to participate in a Commuter Spending Account during the initial election period, can I enroll at a later date?

A

Yes. The program allows you to enroll or make changes at any time during your **active** employment with Verizon, as long as the program is available.



9) Q: If I make a change to my monthly election, will I receive a confirmation statement?

A: Yes. You will receive a confirmation statement via e-mail reflecting your new election amount, your new pay period deduction, and/or your new transit pass or parking election. Please ensure that your e-mail address is correct on the site.

10) Q: If I retire or separate from active employment, what happens to the funds I contributed to my Commuter Spending Accounts and what action should I take?

A: IRS regulations do not allow unused pre-tax contributions to be refunded; therefore, any funds remaining in either the parking or commuter account will be forfeited. Parking expenses incurred prior to your separation date are eligible for reimbursement within 90 days of your separation date. Your Commuter Check Card will be deactivated on your separation date. **You should discontinue your Commuter Spending Accounts election prior to leaving active employment.**

11) Q: Will all employees be eligible?

A: Commuter Spending Accounts have been extended to all eligible management employees throughout Verizon. Associate participation in the program will be determined through the collective bargaining process.

TRANSIT PASSES

12) Q: When will I receive my transit pass?

A: You can expect your pass in the mail before the first day of the benefit month. For example, your May pass will arrive during the last week in April.

13) Q: Can I be reimbursed for highway tolls or carpooling charges under the Transportation Account?

A: No. The Transportation Account covers only mass transit expenses such as bus, subway, vanpool, ferry, and train fares.

14) Q: When the pass denomination for my transit authority is not available, can another pass be selected?

A: Yes. If the pass denomination is not available, you may select another transit option, or you can enroll in the Commuter Check Card and choose your monthly election.

15) Q: Can two passes be purchased in one month from the same mass transit authority in different denominations?

A: Yes, two passes can be purchased from the same mass transit authority in the same month as long as you will use both passes.

16) Q: What kinds of passes are available?

A: Transit passes available are those that mass transit providers offer for sale to administrators and may include monthly passes, weekly passes, vouchers and fare cards, which may be provided for different dollar amounts.



Q

What if my pass gets lost in the mail?

A

Simply call the toll-free customer service line at 1-888-999-0656 and ADP will be happy to assist you.



Frequently Asked Questions

17) Q: Are there any other methods for payment for mass transit media through the vendor?

A: In the New York metropolitan area, several mass transit providers will accept the Commuter Check Card. The Commuter Check Card may be selected from the array of monthly transit media available in New York.

18) Q: How does the Commuter Check Card work?

A: You can make a direct purchase of transit fare media from mass transit vendors who accept the Commuter Check Card. The card will be funded with your monthly election, then the cost of each purchase is deducted from the card.

19) Q: If I find that I will not be able to use a pass that has been delivered, how is that handled?

A: Some transit authorities have restrictions on returned passes. Please contact ADP immediately at **1-888-999-0656** to speak with a Benefits Counselor regarding proper return procedures.

20) Q: Where can I see the available balance on my Commuter Check Card?

A: Simply go to myspendingaccount.adp.com/commuter. You can view your account balance by logging into the "Commuter Enroll" tab, which will take you to the "Ordering Platform". You will be able to see your transactions and your available balance. If you have any questions regarding your balance please call **1-866-264-2440**.

21) Q: If I lose my Commuter Check Card and still have to commute to work, will I be reimbursed for the days I paid out of pocket until I get a new card?

A: No. You cannot be reimbursed for expenses incurred while waiting to receive a new card. Please safeguard your card like you would cash.

DEDUCTIONS/DISCOUNTS

22) Q: What does "before-tax" mean?

A: It means that commuting expenses you have elected are deducted from your paycheck prior to federal, state, and local taxes being applied to your pay. This lowers your taxable income and you pay fewer taxes.

23) Q: Why are you allowing after-tax deductions when there is no tax advantage for doing so?

A: This feature is being offered so that transit accounts of employees whose transit expenses exceed \$255 per month have enough funds to pay for the entire cost of the monthly transit pass, or parking accounts of employees whose direct pay parking expenses exceed \$255 per month have enough funds to pay for the entire cost of the monthly parking expense.

24) Q: How are payroll deductions taken?

A: If you are paid bi-weekly, then the monthly amount elected will be divided by two and taken via bi-weekly payroll deductions on the first 2 pay cycles of each month. For example, a \$100 election would result in \$50 deductions from each of the first two paychecks of the pay cycle.



Frequently Asked Questions

Q

I lost my
Commuter Check Card;
how can I get
another card?

A

Please call
1-866-264-2440
to report your card lost.
Your card will be mailed
within 7-10 days. There is a
replacement fee of \$15
for lost/stolen commuter
check cards.



If you are paid weekly, then the monthly amount elected will be divided by four and taken via weekly payroll deductions on the first four pay cycles of each month. For example, a \$100 election would result in a \$25 deduction from the first four paychecks of the pay cycle.

25) Q: How do I stop deductions?

A: You can stop deductions in Commuter Spending Accounts by discontinuing participation online at myspendingaccount.adp.com/commuter. You can make changes any time during the year. Deductions will continue until you elect to discontinue participation or opt out to have your order fulfilled.

26) Q: I will not incur any parking or transportation expenses during time away from work (i.e. vacation, leave of absence, short-term disability). How should I determine how much money to contribute to my Commuter Spending Accounts?

A: Take into consideration any time you will be away from work and adjust your program contributions accordingly. Your plan allows you to make changes monthly. Failure to update your election will result in arrears when you return to work. Remember that you are not eligible to use the benefit if you are not actively at work. You must make changes by the 10th of the month prior to the benefit month. Long Island Railroad and Metro North Railroad deadline is the 4th of the month prior to the benefit month.

27) Q: What happens if during some month there's not enough money in my paycheck to cover my monthly commuting expenses?

A: Any missed deductions (arrears) will be taken in the following month's paycheck(s) in addition to any regular commuter deductions. The taxability of the missed deduction will not change. For example, if you have a pretax election of \$100 for the March benefit month and only \$50 is deducted, your April paycheck(s) will include your regular pretax deductions plus arrears of \$50 totaling \$150.

28) Q: Are there any discounts on passes available through ADP?

A: If ADP receives a discount on the passes, the discount is passed on to you. For certain discounted passes, such as those for senior citizens or physically challenged employees, the transit authority may require self-identification.

VANPOOLING

29) Q: How does vanpooling work in Commuter Spending Accounts? What are the rules? Are there restrictions?

A: Per the IRS Code Section 132(f), a vanpool is a vehicle which seats six people plus the driver and 80% of its mileage is due to commuting. The eligible costs are the charges for vanpool participation but do not include such charges as mileage, gas, or tolls.



Frequently Asked Questions

Q

My spouse drops me off at work and pays to park the car at his/her workplace. Can I request reimbursement for her parking expenses?

A

No. Commuter Spending Accounts are designated for use by the Verizon employee only to pay for his/her eligible transportation or parking expenses.



PARKING

30) Q: How does direct pay parking work?

A: ADP has developed agreements with some parking vendors and will continue to pursue agreements with others as employees identify their parking vendors. For vendors that accept the agreements, Verizon will pre-pay the parking vendor before the beginning of the month and then Verizon will be reimbursed through the employee's payroll deductions.

31) Q: Can I use the Commuter Check Card for parking expenses?

A: Yes, the Commuter Check Card may be used for Parking Expenses as well.

32) Q: I'm required to pay for parking at my home, which is located near my workplace. I can also walk to work. Can I be reimbursed for parking expenses through my Parking Account?

A: No. The Parking Account does not apply to parking at your residence.

CLAIMS REIMBURSEMENT

33) Q: Under what circumstances would my claim be denied or not paid in full?

A: There are four instances that would void or affect your claim:

- 1) Submitting an incomplete claim form.
- 2) Requesting a reimbursement that exceeds your monthly maximum.
- 3) Requesting a reimbursement that exceeds the amount in your account.
- 4) Requesting a reimbursement for parking that has been direct paid.

ONLINE SUPPORT

34) Q: If I submit a claim online, will I need to submit follow-up documentation or receipts?

A: Documentation (receipts, ticket stubs) will not be required for online claim submission. Your submission of online claims serves as a legal affidavit confirming that the submitted expenses are eligible commuting expenses.

Commuter Spending Accounts

P. O. Box 34700
Louisville, KY 40232

This brochure provides highlights of Verizon's Commuter Spending Accounts. Some employees may not be eligible for the benefits described here and may have inadvertently received this information. Verizon reserves the right to modify, amend or terminate this program at any time, for any reason, with or without advance notice to participants, subject to applicable law and any duty to bargain collectively.

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