



INCREASE IN TRANSIT BENEFITS PROVIDED IN STIMULUS PACKAGE

As part of the American Recovery and Reinvestment Act of 2009 (ARRA) signed into law by President Obama on February 17, 2009, available benefits under § 132(f) of the Internal Revenue Code in relation to transit benefits will be increased.

Specifically, the provisions of ARRA provide parity for transit benefits in relation to the benefits allowed for parking. As a result, effective with "months beginning on or after the date of enactment" of ARRA, the maximum monthly benefit for transit (currently \$120) will be increased to \$230 to equal the maximum monthly amount allowed for parking for 2009. As the bill was enacted on February 17, 2009, the effective date for the increased transit limit is March 1, 2009.

In addition, ARRA provides that the parity between transit and parking will remain in place for the 2010 tax year as well. Therefore the maximum limits for transit and parking benefits will be the same next year. HOWEVER, the parity provision does not extend past December 31, 2010. Absent any legislation to the contrary, the transit benefit limits beginning January 1, 2011 may again be less than those provided for parking benefits.

For a copy of the ARRA legislation impacting transit benefits, please click the link provided below and proceed to Part VI titled Parity for Transportation Fringe Benefits:

[American Recovery and Reinvestment Act of 2009](#)

*ADP does not make any representation or warranty that the information contained in this communication, when used in a specific and actual situation, meets applicable legal requirements. This communication is provided solely as a courtesy and should not be construed as legal advice. The information in this communication represents informational highlights and should not be considered a comprehensive review of legal and compliance activity. Your legal counsel should be consulted for updates on law and guidance that may have an impact on your organization and the specific facts related to your business. **Please note that the information provided in this document is current as of the date it is originally published.**