

County of Santa Barbara
Section 132(f)
Commuter Benefits Plan
Document

Originally Adopted: April 1, 2007
Amended: February 17, 2014

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ARTICLE I – INTRODUCTION

1.01 Establishment of Plan

Effective April 1, 2007, and amended effective February 17, 2014, the County of Santa Barbara (the “Employer”) establishes, pursuant to this document, the “County of Santa Barbara Section 132(f) Commuter Benefits Plan.”

The purpose of this Plan is to provide pretax transportation benefits in lieu of otherwise taxable compensation. It is intended that this Plan comply with the requirements of Internal Revenue Code § 132(f).

ARTICLE II – DEFINITIONS

2.1 Definitions

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

“Anniversary Date” means the first day of any Plan Period.

“Commuter Benefits Election Agreement” means the actual or deemed agreement pursuant to which an Eligible Employee enrolls in the Plan to obtain a Commuter Highway Vehicle (Van Pool) a Transit Pass or a Qualified Parking Expense reimbursement in accordance with Article IV.

“Commuter Highway Vehicle” means any highway vehicle:

- (1) which has a seating capacity of at least six adults (not including the driver), and
- (2) of which at least 80% of the mileage use is reasonably expected to be used:
 - (a) for purposes of transporting Employees in connection with travel between their residences and their places of Employment, and
 - (b) on trips during which the number of Employees transported for such purposes is at least half of the adult seating capacity of such vehicle (not including the driver).

“Commuter Highway Vehicle (Van Pool) Expenses” means expenses incurred for transportation in a “commuter highway vehicle” if such transportation is in connection with travel between the Employee’s residence and place of Employment.

“Code” means the Internal Revenue Code, as amended from time to time.

“Compensation” means the cash wages or salary paid to an Employee by the Employer.

“Coverage Period” means the monthly, quarterly, semi-annual, annual, or other period, designated on the Commuter Benefits Election Agreement during which a Commuter Benefits Election Agreement is in effect and irrevocable.

“Effective Date” means April 1, 2007, [as revised effective February 17, 2014](#)

“Eligible Employee” mean all Employees who meet the eligibility requirements set forth in Article III.

“Eligible Transportation Expenses” means those qualified expenses incurred by the Employee to purchase or pay for Transit Pass Expenses or Commuter Highway Vehicle (Van Pool) Expenses incurred for purposes of transportation between an Employee’s residence and place of Employment.

“Employee” means an individual that the Employer classifies as a regular Employee in a classification in the County’s Salary Resolution, but does not include (1) any leased Employee (including, but not limited to, those individuals defined in Code § 414(n)), or (2) any individual classified by the Employer as a contract worker, independent contractor, temporary Employee or casual Employee, whether or not any such persons are on the Employer’s W-2 payroll or are later classified as common-law Employees by a government agency or pursuant to a court action or other legal proceeding (including any settlement or judgment related thereto).

“Employer” means County of Santa Barbara that has adopted this Plan pursuant to Section 7.05.

“Employment” means the performance of services by an Employee for the Employer.

“Plan” means the County of Santa Barbara Section 132(f) Commuter Benefits Plan as set forth in its entirety in this document as may be amended from time to time.

“Plan Period” The Plan Period shall be a calendar month beginning on May 1 and ending on May 31. Thereafter, the Plan Period shall be a one-month period beginning on the first day of the calendar month and ending on the last day of the calendar month.

“Plan Administrator” means the County of Santa Barbara, notwithstanding the fact that certain administrative functions for this Plan may be delegated to another person, persons or entity.

“Plan Document” means a formal document that describes the Plan benefits and provisions under which such benefits shall be paid to covered persons, including any amendments.

“Plan Sponsor” means the County of Santa Barbara sponsors this Plan. The Plan Sponsor may also be referred to as the Plan Administrator.

“Pretax Dollars” means the dollar amounts that an Employee may allocate to obtain benefits.

“Qualified Parking Expenses” means the following parking expenses, excluding expenses incurred for any parking on or near property used by the Employee for residential purposes:

(1) expenses incurred by an Employee to park his or her car on or near the business premises of the Employer; or

(2) expenses incurred by an Employee to park his or her car on or near a location from which the Employee commutes to work:

- by mass transit facilities, whether or not publicly owned;

- by using the services of any person in the business of transporting persons for compensation or hire, if such transportation is provided in a “commuter highway vehicle,” as defined in this Plan;

- by Commuter Highway Vehicle; or

- by carpool (i.e., two or more individuals who commute together in a motor vehicle on a regular basis).

“Salary Reduction Agreement” means the actual or deemed agreement pursuant to which an Eligible Employee enrolls in the Plan to obtain a Qualified Parking Expense reimbursement in accordance with Article IV.

“Transit Pass Expenses” means expenses incurred for any pass, token, fare-card, voucher, or similar item entitling a person to transportation (or transportation at a reduced price) if such transportation is:

- provided by any mass transit facilities, whether or not publicly owned; or
- 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).

ARTICLE III – ELIGIBILITY

3.1 Eligibility

Employees who are regular full or part-time shall be eligible to participate in the Plan on the first Coverage Period following such eligibility.

3.2 Rehire

If an Employee terminates his or her Employment for any reason including (but not limited to) disability, retirement, layoff, discharge, or voluntary resignation, and then is rehired, the Employee must complete any applicable waiting period established by the Employer before again becoming eligible to participate in the Plan.

ARTICLE IV – BENEFITS AND ELECTIONS

4.1. Election of Benefits

Eligible Employees may enter into a Commuter Benefits Election [or Salary Reduction Agreement](#) with the Employer whereby the Employee agrees to reduce his or her unearned compensation by the amount of his or her anticipated future Eligible Transportation [or Qualified Parking](#) Expenses for the upcoming Coverage Period. The per payroll period reduction amount will be deducted on a pre-tax basis from the Employee's compensation per payroll period until such time as the Employee changes his or her election for an upcoming Coverage Period.

(a) Monthly Limitation for Pre-tax Transit Pass Expenses and Commuter Highway Vehicle Expenses: Pre-tax commuter benefit elections for combined expenses for Transit Pass Expenses and Commuter Highway Vehicle Expenses will not exceed the monthly value as set forth by the IRS in Code § 132(f), as adjusted; and

(b) Special Rules for Transit Passes: A cash reimbursement may not be provided for an Employee's mass transit expenses if a voucher (or similar item that may be exchanged only for a transit pass) is readily available to the Employer for direct distribution to Employees. A voucher (or similar item) is readily available if (1) the Employer can obtain the voucher on terms that are no less favorable than the terms available to an Employee directly, and (2) the Employer does not incur a significant administrative cost in obtaining the voucher. An administrative cost will be determined to be "significant" if the Plan Administrator (in its sole discretion) deems it so.

(c) [Monthly Limitation for Pre-tax Qualified Parking Expenses: Pre-tax salary reduction elections for qualified parking expenses reimbursement will not exceed the monthly value as set forth by the IRS in Code § 132 \(f\), as adjusted.](#)

4.2 Employer Contribution

For each eligible Employee who enters into a Commuter Benefits Election Agreement with the Employer in order to reduce their compensation to pay for Eligible Transportation Expenses for an upcoming monthly Coverage Period, the County of Santa Barbara shall provide \$10 for that Employee as a qualified transportation fringe benefit so long as the Employee's makes a Commuter Benefits Election Amount of \$10 for in Eligible Transportation Expenses. Future monthly contributions by the Employer shall be conditioned on the continued participation of the Employee in the Plan for that monthly period.

[The Employer shall make no contribution towards Qualified Parking Expenses.](#)

4.3 Commuter Benefits Administrative Services

The Plan Administrator's designated vendor will, in coordination with the Employer, provide an online web-based system through which Employees will be able to participate in this Plan.

4.4 Time Period for Making, Modifying, or Revoking a Commuter Benefits Election Agreement.

A Commuter Benefits Election [and/or Salary Reduction Agreement](#) must be made on or before the

fifth day of the month prior to the Coverage Period to which it relates. Once a Commuter Benefits Election [and/or Salary Reduction](#) Agreement are made, it cannot be changed after the fifth of the month. Commuter Benefits Election [and/or Salary Reduction](#) Agreements may only be changed for future Coverage Periods.

4.5 Rollover of Unused Amount in Account

Any amount in the Employee's account that has not been used for Eligible Transportation [and/or Qualified Parking](#) Expenses incurred prior to the end of the Coverage Period to which the Employee's Commuter Benefits Election [and/or Salary Reduction](#) Agreement applies, will be carried over into future Coverage Periods.

4.6 Termination of Employment

The Employee's Commuter Benefits Election [and/or Salary Reduction](#) Agreement shall terminate upon termination of Employment. Amounts remaining in the Employee's Account will be forfeited. If Employee elected a salary reduction and still owes the Employer for that amount, that amount will be withheld from final pay.

ARTICLE V – ADMINISTRATION

5.1 Plan Administrator

The Plan Administrator of the Plan shall be County of Santa Barbara, which shall act in its administrative capacity through the Human Resources Director.

5.2 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; and
- (e) make any equitable adjustments to correct any error or omission discovered in the administration of the Plan.

ARTICLE VI – AMENDMENT AND TERMINATION

County of Santa Barbara may at any time (1) amend the Plan contained in this document in any manner it deems advisable, or (2) terminate or limit the Plan contained in this document, effective as of the date specified in the instrument of amendment or termination, without the consent of any Eligible Employee or participating Employee. Such amendments may be retroactive to the extent deemed appropriate by County of Santa Barbara and may be made in contemplation of, or with specific reference to, a particular transaction, job elimination, reduction in force, or similar event.

The County of Santa Barbara Board of Supervisors shall be authorized to adopt on behalf of County of Santa Barbara all amendments to the Plan. Amendments shall be adopted in writing and signed by County of Santa Barbara's designated Officer of the Board of Supervisors.

ARTICLE VII – MISCELLANEOUS

7.1 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 Eligible Employee, former Eligible Employee or participating Employee against County of Santa Barbara and all rights under any Plan shall be satisfied, if at all, only out of the general assets of the Employer.

7.2 No Inducement, Contract or Guarantee of Employment

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

7.3 Payment of Expenses

County of Santa Barbara shall pay all the expenses of administration of the Plan, the expenses of the Plan Administrator, and any other expenses incurred at the direction of the Plan Administrator.

7.4 Governing Law

The Plan shall be governed, construed, administered and regulated in all respects under the laws of California (without regard to California's conflict of laws rules), except to the extent preempted by federal law.

7.5 Construction

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 of this Plan 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.

7.6 Taxability of Benefits

The Employer makes no guarantee as to the excludability of benefits under this Plan from federal,

state, or local taxes, and it shall be the Employee's sole responsibility to pay any taxes due as a result of the payment of benefits hereunder.

GENERAL PLAN INFORMATION

Name of Plan

County of Santa Barbara Section 132(f) Commuter Benefits Plan

Plan Sponsor

County of Santa Barbara

Plan Sponsor's Address & Phone Number

County of Santa Barbara
1226 Anacapa St.
Santa Barbara, CA 93101
805.568.2821

Participating Employer(s)

County of Santa Barbara
1226 Anacapa St.
Santa Barbara, CA 93101

Plan Sponsor ID Number (EIN)

95-6002833

Plan Period

January 1 through December 31, thereafter each subsequent month beginning on the first of the month and ending on the last day of the month.

Fiduciaries (Titles) & Address

County of Santa Barbara
1226 Anacapa St.
Santa Barbara, CA 93101

Designated Legal Agent for Service of Process (Title) & Address

County of Santa Barbara
HR Director
1226 Anacapa St.
Santa Barbara, CA 931011

ADOPTION OF PLAN

As evidence of the adoption of this Commuter Benefits Plan, effective April 1, 2007, [and the subsequent amendments](#) ~~effective February 17, 2014~~ the County of Santa Barbara has caused this instrument to be signed by its officers thereunder duly authorized and its County seal attached hereto.

Executed this _____ day of _____, 20__.

COUNTY OF SANTA BARBARA

By: _____
(Chair, Board of Supervisors)

ATTEST:

Clerk of the Board of Supervisors

By: _____
Deputy Clerk