



WHY DO I NEED...

# A Parking Expense Account (PKEA)?



## WHAT IS IT?

A **Parking Expense Account (PKEA)** is one of two account types under a **Transit Expense Account (TEA)**, which allows you to set aside money from your paycheck (before taxes) and use it for work-related parking expenses.



## WHAT IS IT USED FOR?

You can use a PKEA to pay for any portion of your work commute that involves parking. This may include parking at/near your place of employment, or parking at/near a location in which you take mass transit. However, a parking expense at/near your home is not an eligible expense. Note: This account is not for the parking contract purchased directly through your agency. That cost is already deducted pre-tax and not eligible to be run through this account.



## HOW DO I SAVE MONEY?

You can look at your savings on a monthly basis. The money in your Parking Expense Account is tax free (up to the monthly limits).

### TAX SAVINGS EXAMPLE

You pay \$240 per month for a parking contract. Your tax rate is 25%. You save \$60 per month (\$720 per year).\*

#### EXAMPLE SAVINGS CALCULATION

$\$240/\text{month} \times 25\% \text{ tax rate} = \$60 / \text{month} \times 12 \text{ months} = \$720 / \text{year in savings}^*$

### CALCULATE YOUR SAVINGS

Monthly Election x Tax Rate =  
Monthly Savings x 12 = Annual Savings

$\$ \underline{\hspace{1cm}} \times \underline{\hspace{1cm}}\% =$   
 $\$ \underline{\hspace{1cm}} \times 12 = \underline{\hspace{1cm}}$

\*For illustration purposes only. Individual tax rates and maximum limits apply.



## WHY DO I NEED THIS PLAN?

A Parking Expense Account is a great way to save money on your daily commute. Think of a parking account as a monthly discount on your work-related parking expenses, equal to your tax rate. Also using mass transit? Remember to sign up for a Bus Pass/Vanpool Expense Account (BVEA)!



## HOW DO I ENROLL?

Open enrollment for your 2023 insurance benefits is **Thursday, October 27th** through **Wednesday, November 16th, 2022**. Go to: [mn.gov/selfservice](https://mn.gov/selfservice) and click on the "Open Enrollment" tile. There, you will find complete instructions for enrollment in your 2023 benefits.



Visit [BenefitResource.com/state-of-minnesota](https://BenefitResource.com/state-of-minnesota) to access all State of Minnesota pre-tax benefit plan materials, including plan documents, Open Enrollment materials, forms, videos, and more!

