

Employers Save, Commuters Save

Pre-Tax Transit Benefit Programs

Join a program; add cash to your bottom line and put more money in your employees' pockets.

How It Works

Federal tax law allows employees to use pre-tax dollars to pay for transit commuting costs through employer-sponsored programs. Up to \$230 per month is exempted from federal, state, and city income taxes, social security and Medicare taxes, and federal unemployment insurance.

Employee Savings

Employees sign up for payroll deductions that are used to pay transit costs with pre-tax dollars and save, regardless of income bracket or choice of transit services.

Subway or bus customers in the 15% federal tax bracket who participate in a Pre-Tax Transit Benefit Program save approximately 33% on every subway and bus ride. With the average cost of a ride at \$1.96 thanks to Pay-Per-Ride MetroCard® with bonus, participating employees would end up paying just \$1.31 a ride. For an employee using a 30-Day Unlimited Ride MetroCard, the cost drops from \$89 to \$59.55

Commuter rail customers who purchase a monthly ticket on Long Island Rail Road or Metro-North Railroad lower their costs by \$88.86, saving an average of 40%.** Commuters with longer commutes may save even more.

Employer Rewards

With a Pre-Tax Transit Benefit Program you'll improve your bottom line while offering a great morale booster to your employees. It's like raising take-home pay. At the same time you can save up to \$211 per employee per year.† And you'll be contributing to the quality of life in the region by promoting the use of subways, buses, trains, ferries, and van pools.

How To Join

Contact a transit benefit service provider who will work with your company to set up and market a customized program to suit your business needs. Several providers serve the New York metropolitan region. For a list, visit www.CommuterChoice.com.††

* Examples estimated based on MTA ridership data for employees in 15% federal tax bracket.

** Examples estimated based on employee in 25% federal tax bracket.

† Based on a contribution of \$230 per month by an employee earning income of less than \$94,200. Does not include fee charged by benefit provider.

†† A federally funded organization developed by the Association for Commuter Transportation to help employers connect with service providers.

