

# 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 \$125 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 29% on every subway and bus ride. With the average cost of a ride at \$2.10 thanks to Pay-Per-Ride MetroCard® with bonus, participating employees would end up paying just \$1.49\* a ride. For an employee using a 30-Day Unlimited Ride MetroCard, the cost drops from \$104 to \$73.74

Commuter rail customers in the 25% federal tax bracket who purchase a monthly ticket on Long Island Rail Road or Metro-North Railroad could lower their costs by \$48.88, saving an average of 20%.\*\*

### 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 \$114.75 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](http://www.CommuterChoice.com).††

\* Examples based on NYC resident in 15% federal tax bracket.

\*\* Examples estimated based on MTA ridership data for employee in 25% federal tax bracket.

† Based on a contribution of \$125 per month by an employee earning income of less than \$106,800. 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.

