

Commuter Benefits

A win-win for employers and employees



What Are Commuter Benefits?

Do you take the bus, train, ferry, or vanpool to work? If so, you could be saving 40% on your commuting expenses. The federal government allows employees to deduct up to \$230.00 per month from their paychecks, pre-tax, to pay for transit and vanpool expenses.

Employees save by using pre-tax dollars for their commute expenses. Employers get the advantage of reduced payroll taxes and a popular benefit program that is relatively easy and inexpensive to administer.

Thousands of employers across the country are offering Commuter Benefits to their employees. You could be taking advantage of this savings, too!

Ride Transit for Less...

With commuter benefits you can save 40% on your transit costs.

How Does It Work?

Commuter benefits are obtained through your employer. When your employer offers the benefit, you can deduct up to \$230.00 per month from your paycheck, pre-tax, to pay for transit and vanpool expenses. Because you don't pay taxes on the money you deduct, you save about 40% on the cost of your transit tickets or vanpool.

Benefits are delivered either in the form of transit tickets or vouchers that can be redeemed for passes, tickets, and vanpool expenses.



Employers Save Too

As a pre-tax payroll deduction, an employer saves on payroll taxes – up to approximately \$100 per participant per year. As a subsidized benefit, it can be written off as a business expense. The cost of administering the program is often less than the savings an employer gets from offering it!

The benefit is easy to set up and administer, and employees will enjoy the 40% savings on their commuting costs every day. You'll see tangible results in increased employee morale and satisfaction and reduced absenteeism and turnover. Commuter benefits are a useful, practical, and smart addition to any employee benefit package.



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Who Is Eligible?

All types of employers in the private, public, and non-profit sector are eligible for the benefit, and it works for any size employer from the largest to the smallest.

Commuter Benefits Are Easy to Set Up

The benefit works like other pre-tax plans such as dependent care and medical reimbursement, except that it's much simpler. It is exempt from the usual restrictions and reporting requirements that accompany other pre-tax programs allowed by the IRS. There are no plan filings or forms for the employer to fill out, no irrevocable elections and no mandatory enrollment dates.



Employers can offer commuter tax benefits as a payroll deduction, a subsidized benefit, or a combination of the two. Most employers administer the benefit themselves, purchasing the transit tickets or vouchers each month and distributing them to employees. Some employers (especially larger ones) might find it more practical to hire a third-party administrator to manage their program.

How Do I Get My Employer to Offer Commuter Benefits?

- Tell your boss or HR manager about commuter benefits and give them a copy of this fact sheet.
- Get your employer to visit our website (www.commuterbenefits.org).
- Call **(415) 355-3727** for assistance in talking to your employer.
- Speak with other employees at your work place and have them request commuter benefits, too.
- Put a note in the suggestion box at your workplace.
- Speak to your union about including it as an employee benefit.

Need More Information?

Please contact us at (415) 355-3727, email commuterbenefits@sfgov.org, or visit www.commuterbenefits.org

Sample Savings

Based on an employee spending \$115/month on transit.

Tax Category*	Annual Employee Savings	Annual Employer Savings
FICA and Medicare	\$101	\$101
Federal Income Tax	\$370	
State Income Tax	\$80	
Total	\$551	\$101

* Savings calculations are based on average tax percentages of 7.65% FICA and Medicare, 28% Federal Income Tax, and 6% State Income Tax. Actual tax savings depend on the individual's and employer's tax rates.

Commuter Benefits Services to Employers

Vouchers:

- Commuter Check (510) 704-0856
- TranBen (877) 5TRNBEN
- TransitChek (866) 410-CHEK

Administration:

- ADP (800) 225-5237 ext. 411
- AFLAC (800) 32-FLEX1
- Benefit Resource (800) 473-9595
- CBS Administrators (408) 244-2501
- Ceridian (800) 790-9057
- Commuter Check Direct (510) 704-0856
- Eflexgroup (877) 933-3539 ext. 300
- Employee Benefit Specialists(888) 327-2770
- Fringe Benefits Management Company (FBMC) (800) 872-0345 ext. 2594
- TransitCenter, Inc. (866) 410-CHEK
- Trust Administrators, Inc. (800) 932-3539
- Wage Works, Inc. (866) 602-3887



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