

Q&A

How does this save money?

The employer does not pay taxes on monies allotted for transit benefits.

Is there a minimum number of enrolled participants to offer a pre-tax benefit?

No. The pre-tax benefit is open to every company.

What is the benefit for commuters?

Employees pay for their commuting costs with pre-tax dollars, a savings of up to 40% of their commuting costs.

Does SMART work with a specific third-party provider?

No. SMART works with all third-party providers and does not recommend one over another.

Can we manage this benefit ourselves?

Yes. Employers can purchase Dart, SMART and Value Passes from SMART and then distribute to their employees directly.



Resources

Savings Calculators

The savings for each employer will vary based on the number of employees enrolled, and how it is administered. For cost saving calculators and additional information on this benefit, search "Transit Fringe Benefit" on the internet.

Third Party Administrators

There are a number of companies that offer transit benefit assistance. Although SMART does not endorse any particular program, a list of some companies offering this service in our region is below:

ADP CommuterCheck TranBen Ltd.
TransitChek WageWorks

Additional Information

SMART representatives are available to visit your location to meet with your employer to provide them more details about the Transit Benefit Program. For information on this or other questions:

- Visit SMART's website at: smartbus.org
- Contact Beth Gibbons, Manager of MarCom & Education at bgibbons@smartbus.org

535 Griswold St. Suite 600
Detroit, MI 48226
(313) 223-2100 • smartbus.org



Transit Benefit Program

Save on Payroll Taxes!
Save Commuting Costs!

Improve Morale
Improve Attendance
More Employee Reliability



RideSMARTbus App



Transit App



What are Transit Benefits

The tax-free transit benefit, also known as *Qualified Transportation Fringes*, is a federal tax benefit that was authorized under the Internal Revenue Code Section 132 (f). It allows employees to reduce their monthly commuting expenses for transit, vanpooling and work-related parking costs.

Under this IRS Revenue Code, employees may set aside pre-tax dollars to pay for mass transit and commuter parking expenses, thereby avoiding federal taxes and saving money. Pre-tax monies deducted from salary are not subject to federal income taxes, state income taxes (in Michigan), Social Security taxes, or Medicare taxes. Internal Revenue Service rules requires that mass transit benefits be delivered as tickets, payment cards, or vouchers that can only be used to purchase mass transit tickets.

Currentlt, up to \$270.00 may be deferred per employee per month toward public transit costs.

Why Offer Transit Benefits

By offering a Transit Benefit Program, employers profit by lowering their payroll taxes. Employees can use pre-tax dollars and eliminate the worry about paying for their ride to work. Everyone wins!

By offering this, employers can:

- Reduce employer payroll tax of 7.65% on each participating employee
- Create a cost-neutral benefit
- Attract, retain and reward employees
- Help secure reliable transportation for employees
- Create a more stable work force and improve attendance
- Save employees up to 40% of their commuting costs and bus fare
- Reduce carbon footprint, help the planet



Getting Started

Transit's "Best Kept Secret", more and more employers are taking advantage of transit benefits. Basically, when your employees save, your organization saves.

Some things to consider when making your decision:

Program Administrator

- Self-Administered
- Third party administrator

Distribution of Transit Funds

- Bus Passes
- Debit cards

Unique Needs of Your Company

- Location of worksites
- Number of employees using (or able to use) public transit
- Other fringe benefits offered
- Budget and resources