

## Commuter Tax Benefits

The IRS Qualified Transportation Fringe Benefits law includes a Commuter Choice provision, designed to encourage employers to offer transportation benefits in exchange for tax savings. This program works well with transit system discounts or a vanpool program such as those available to commuters throughout Southwest Florida. Your Commuter Services outreach coordinator can help determine what will work best for you.

## Transit & Vanpool Benefits



Employers may give employees up to \$230 per month to commute by transit or eligible vanpools. There are several ways to use it:

- **Employee Pays:** Employees can set aside up to \$230 of their pre-tax income each month, to pay for a transit pass or monthly vanpool fare. The benefit is not considered taxable income for the employee, and the employer saves through reduced payroll taxes.
- **Company Pays:** Offsetting the cost of taking transit or riding in a vanpool is not only a great tax-free benefit for them, but it provides you with a tax break, too. You can provide a transit or vanpool benefit of up to \$230 per month per employee, for a net cost of only \$152 per recipient (based on a 34% corporate tax rate).
- **Employee & Employer Share the Cost:** When an employer and employee share the cost of a transit pass or vanpool seat, both parties share in the savings. Each month, you could opt to pay \$50 toward the cost of a transit pass or vanpool seat and allow your employee to deduct up to \$180 in pre-tax income to cover the rest of the cost.

Commuter Choice benefits are easy to administer, as there are no “plan” requirements and no IRS approval required. In addition, there are no “use it or lose it” rules, and an employer can start a pre-tax program and enroll employees at any time of the year.

### FOR MORE INFORMATION

Call Commuter Services today to get started! 1.866.585.RIDE