

Commuter Benefits

Frequently Asked Questions for Employers

How many employees do I need to sign up for commuter benefits?

There is no minimum. Companies can sign up for commuter benefits with just one employee.

What are the different types of commuting expenses covered?

- Bus, ferry, train, trolley tickets and passes
- Parking expenses: meters, garages and lots
- Vanpool fees (including uberPOOL, Via and Lyft Line)
- Bike maintenance and repairs

What are the current monthly tax-free allowable limits?

- Transit and eligible vanpooling: \$270
- Qualified commuter parking: \$270
- Combined parking and transit benefits: \$540

What expenses aren't covered?

- Tolls
- Taxis
- Gas/fuel
- Mileage
- Business trip costs
- Airport parking fees
- Residential parking fees

What's the difference between a subsidy and a pre-tax deduction?

A subsidy is an employer paid benefit, whereas, a pre-tax deduction is an employee paid payroll deduction. Commuter benefits can be offered as either a subsidy, pretax payroll deduction or a combination of both. Offering the benefit as a subsidy is more cost effective when considering giving an employee the equivalent raise in salary due to the tax advantages. For example, a parking subsidy of \$250 is roughly equivalent to a \$406 pay raise, which would be taxable income. A subsidy saves the employer on payroll taxes and the employee on having to pay additional taxes on a higher income.

How will my employees get their commuter benefits?

If you have Commuter Check Office, we'll ship all vouchers and prepaid cards to you to distribute to your employees. If you have Commuter Check Direct or My Commuter Check, we'll ship vouchers, passes and prepaid cards directly to your employees via USPS.

How do employees use their commuter benefits?

Employees can redeem commuter benefit vouchers at participating transit operators or use the Commuter Check Prepaid Mastercard® at transit kiosks or online to purchase transit tickets or passes. If an employee receives the parking benefit, they can use the vouchers or the Commuter Check Prepaid Mastercard to pay the parking vendors or opt to have us pay them directly. The same goes for vanpool participants.

Can employees redeem commuter benefits for cash?

No, employees can only redeem them for transit passes or use them to pay monthly parking fees.

Do products come in set dollar amounts or can my employees choose any value?

We offer pretty much any product in any dollar value you or your employees need. Commuter products are available from \$10 up to \$270 for transit and from \$10 to \$270 for parking per month.

How do vanpools work?

In order for a vanpool to be qualified as a "vanpool," 80% of the mileage must be for the transport of employees to and from the place of work; seating capacity must be for 6 employees plus the driver, in which at least half of the seats are used. The van can be operated by the employer, employee or a third party. Employees that participate in a qualified vanpool can use commuter benefits to contribute towards associated costs.

Can my employees get their benefits automatically each month?

Indeed! If you have Commuter Check Direct or My Commuter Check, employees can sign into their respective accounts and set up automatic reorder.

Do I need to keep detailed tax records?

Nope! No complex record keeping required. However, like any company expenditure, copies of order forms and canceled checks should be retained. But, no special IRS reporting, such as W-2 or 1099 statements, is required.

How long would it take to set up my company's own commuter benefits program?

Depending on which program you select, your account will be ready for order processing in as little as 1-2 business days. On average, the set up process for our more advanced program is complete within 4-8 business days.

How does the biking benefit work?

If you decide to provide your employees with the biking fringe benefit, then those who ride their bikes to work can be reimbursed up to \$20 each month for biking expenses. However, in order to get these benefits, bike riders must meet a couple important guidelines:

- Employees cannot use biking benefits along with transit and/or parking benefits.
- Benefits can only be used toward bike equipment and purchases and any costs associated with repairs and storage.

Estimated Savings for Employers*

	Transit per month (max \$270)	Parking per month (max \$270)	Both per month (\$540)
Social Security (FICA)	\$201	\$201	\$420
Medicare (FICA)	\$47	\$47	\$94
Total Annual Employers Savings	\$248	\$248	\$514

Estimated Savings for Employees (Transit Only)*

Without Commuter		With Commuter	
Gross annual pay (estimate)	\$55,000	Gross annual pay (estimate)	\$55,000
Estimated tax rate (22%)	-\$12,100	Maximum annual commuter account contributions	-\$3,240
Net annual pay	=\$42,900	Adjusted gross annual pay	=\$51,760
Estimated annual commuting expenses*	-\$3,240	Estimated tax rate (22%)	-\$11,388
Final annual pay	=\$39,660	Final annual pay	=\$40,372

You take home this much more annually: \$712

Estimated Savings for Employees (Transit and Parking)*

Without Commuter		With Commuter	
Gross annual pay (estimate)	\$55,000	Gross annual pay (estimate)	\$55,000
Estimated tax rate (22%)	-\$12,100	Maximum annual commuter account contributions	-\$6,480
Net annual pay	=\$42,900	Adjusted gross annual pay	=\$48,520
Estimated annual commuting expenses*	-\$6,480	Estimated tax rate (22%)	-\$10,675
Final annual pay	=\$36,420	Final annual pay	=\$37,845

You take home this much more annually: \$1,425

*Estimated employee savings are for informational purposes only, and based on the 2020 tax year. Individual savings may vary based upon income, individual tax rates, state of residence and other factors. Please consult your tax advisor.

The Commuter Check Prepaid Mastercard may only be used for qualified commuter benefit purchases in accordance with IRS Tax Code 132(f). No cash or ATM access. This card may not be used everywhere Debit Mastercard is accepted.

The Commuter Check Prepaid Mastercard is issued by The Bancorp Bank pursuant to license by Mastercard International Incorporated. The Bancorp Bank; Member FDIC. Mastercard is a registered trademark, and the circles design is a trademark of Mastercard International Incorporated.