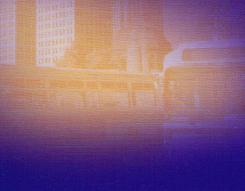
# RTA/CTA Transit Benefit Program



Tax-Free Transit





# EXPERIENCE THE BENEFITS OF TRANSIT



# TRANSIT BENEFIT PROGRAM



As one of our region's valued employers, you are invited to experience the money-saving benefits of RTA/CTA's new, tax-free Transit Benefit Program. By encouraging your employees to take transit to work, the results are bottom line benefits:

# For the Employer

- Tax Savings
- Reduced Absenteeism
- Improved Employee Morale & Productivity
- Use of a Unique Recruiting Tool

# For the Employee

- Tax Savings
- Reduced Commuting Costs
- Reduced Car Costs (gas, parking, wear & tear
- Direct Delivery of Transit Cards and Transit Checks



# BENEFITS OF TRANSIT



he RTA/CTA Transit Benefit program allows your company and its employees to take advantage of recent tax law changes to reduce commuting costs. Transit Benefit is a low or no cost benefit valuable to both employees and the bottom line.

Your company and its employees can purchase CTA Transit Cards and RTA Transit Checks with:

- Set aside pre-tax income of up to \$65 per month per employee;
- 2. Company sponsored, tax deductible, subsidization; or
- 3. A combination of both.

### As a result:

- Employees save \$200 to \$300 in annual taxes by paying for transit with pre-tax income;
- Employers realize annual payroll tax savings of approximately 10% of what employees set aside;
- Your company can choose any level of subsidization for its employees' commuting costs from full to none and anywhere in between.

## TRANSIT BENEFIT CHOICES



**Transit Benefit** is flexible, offering a number of options and possibilities that can be used in combination as needed in order to best serve your company's unique transit needs.

### **CTA Transit Cards**

- CTA Transit Cards carry value and automatically deduct fares and transfers on CTA trains and buses and Pace suburban bus routes;
- Employees can order Transit Cards in values of \$30, \$35, \$60 and \$65. Value can be added to these cards at any CTA rail station, and as a double bonus, the cards will include a bonus value of \$1 for every \$10 on the card (for example: a \$30 card has a \$3 bonus for a total value of \$33);
- Eligible employees can purchase a 30-Day Reduced Fare Pass (\$35 — unlimited rides, valid only with RTA ID for seniors and riders with disabilities) or a Monthly Paratransit Pass (\$75 — valid only for CTA Paratransit Service).

### **RTA Transit Checks**

- RTA Transit Checks are good, on their own or in combination with your money, almost everywhere fares or passes are sold for rides on any part of the regional system – CTA, Metra, Pace, SouthShore Railroad or vanpools (Transit Checks cannot be used in automated vending machines);
- Transit Checks can be ordered in any denomination from \$10 to \$65.

Still have Questions?
CALL THE RTA/CTA
TRANSIT BENEFIT HOTLINE:
(312) 396-8450

# THE TAX BENEFITS OF TRANSIT



**Transit Benefit** is based on federal tax law which allows employers to give employees the option to pay for transit using pre-tax income. Also, under the law, employers have the option to subsidize employees' transit costs at a level of their choice — or not at all. Employers and employees save money in reduced taxes regardless of the level of subsidization by the employer.

### Tax Benefits of Transit\*

For the Employee	Amount
Annual Transit Set-Aside	\$780.00
Federal Income Tax Saved	(\$218.40)
Employee FICA 7.65% Saved	(\$59.67)
State Income Tax Saved	(\$23.40)
Total Cost for \$780 in Transit	\$478.53
TOTAL SAVINGS to Employee	\$301.47

For the Employer	Amount
Initial Order Payment	(\$780.00)
Employee's Pre-Tax Salary Deduction	\$780.00
Actual Cost to Employer	\$0.00
Employer FICA 7.65% Saved	\$59.67
Employer Unemployment Tax Saved	\$8.05
NET SAVINGS to Employer per Employe	e \$67.72

<sup>\*</sup>Assumes employee earns \$27,000 per year and pays 28% in federal income tax, 3% in state income tax, and 7.65% FICA and sets aside the maximum \$780 or \$65 a month and assumes employer pays 3.1% unemployment tax for first \$9,000 of salary year, 30% federal/state income tax.

PLACE STAMP HERE

RTA/CTA Transit Benefit Program Chicago Transit Authority Merchandise Mart, Rm. 734 Chicago, IL 60654

see other side for important info

☐ Yes, we are interested in learning n	nore!
Please have an RTA or CTA Transit B	enefit Representative contact:

(Please type or print clearly.)		
Contact Name:		Title:
Company:	•	Number of Employees
Address:	City:	
State:	Zip Code:	
Phone:	Fax:	E-Mail