

# **RTA/CTA Transit Benefit Program**

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**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



**T**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:

- 1. 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** 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
<b>TOTAL SAVINGS to Employee</b>	<b>\$301.47</b>

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

\*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.



TRANSIT BENEFIT PROGRAM

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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 more!**

**Please have an RTA or CTA Transit Benefit Representative contact:**

(Please type or print clearly.)

Contact Name: \_\_\_\_\_ Title: \_\_\_\_\_

Company: \_\_\_\_\_ Number of Employees \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_

State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ E-Mail \_\_\_\_\_