

How cool  
would you be  
if you provided  
transit benefits for  
your employees  
while improving your  
bottom line?



# Way cool. And smart



You can help pay for your employees' transit and vanpool commuting, lower their taxes and get a tax credit for your business. You provide enhanced benefits to your employees at a lower cost. They save money on their commute. And you both help reduce pollution and congestion. It doesn't get much smarter than that!

There are three ways to provide commuter benefits:

1. Employer pays all costs
2. Employer and employee share costs
3. Employee pays all costs

## PARTICIPATING TRANSIT SERVICES

- :: Ride On
- :: Metrobus
- :: Metrorail
- :: MARC
- :: Vanpools
- :: Commuter Buses
- :: VRE
- :: And others

Here's how each one works:

### OPTION 1 Employer pays all costs

- ✓ You provide employees with tax-free commuter benefits, up to the limit permitted by law.
- ✓ Unlike a raise, your employee does not pay any payroll taxes on this amount.
- ✓ You receive a Maryland Commuter Tax Credit of 50%, up to \$50 per month.
- ✓ Your employee rides transit or vanpools at a reduced cost.

### OPTION 2 Employer and employee share costs

- ✓ You provide a portion of your employee's transit or vanpool costs.
- ✓ Your employee pays the remaining cost through a pre-tax payroll deduction.
- ✓ Your employee saves on income and payroll taxes due to lower taxable wages.
- ✓ You receive a Maryland Commuter Tax Credit of 50%, up to \$50 per month on this amount.
- ✓ Your employee rides transit or vanpools all month at a reduced cost.

### OPTION 3 Employee pays all costs

- ✓ Your employee pays monthly transit or vanpool costs through pre-tax payroll deduction.
- ✓ Your employee saves on income and payroll taxes due to lower taxable wages.
- ✓ You pay no payroll taxes on the pre-tax deduction amount.
- ✓ Your employee rides transit or vanpool all month at a reduced cost.

# Smart too!

Here are three options demonstrating the cost to offer a \$100 monthly transit benefit:

## OPTION 1 EXAMPLE

### EMPLOYER PAYS ALL COSTS

Employer pays	\$100.00
50% MD Commuter Tax Credit	-50.00
<b>Net cost to employer</b>	<b>\$50.00</b>
<b>Net cost to employee</b>	<b>\$0.00</b>

## OPTION 2 EXAMPLE

### EMPLOYER AND EMPLOYEE SHARE COSTS

<b>Employer pays</b>	<b>\$50.00</b>
50% MD Commuter Tax Credit	-25.00
<b>Net cost to employer</b>	<b>\$25.00</b>
Employee pays (pre-tax deduction)	\$50.00
Federal tax saved (15% bracket)	-7.50
State tax saved (4.75%)	-2.38
FICA tax savings (7.65%)	-3.83
<b>Net cost to employee</b>	<b>\$36.29</b>

## OPTION 3 EXAMPLE

### EMPLOYEE PAYS ALL COSTS

Employee pays	\$100.00
Federal tax saved (15% bracket)	-15.00
State tax saved (4.75%)	-4.75
FICA tax savings (7.65%)	-7.65
<b>Net cost to employee</b>	<b>\$72.60</b>
<b>Employer FICA payroll tax savings</b>	<b>-\$7.65</b>



## SMART MOVE



All you have to do is enroll in the program once, then order online on a monthly basis. Benefits are provided through WMATA's SmartBenefits program using a SmartTrip card, so your employees can apply their benefits to vanpools and most area transit services, including RideOn, Metrobus and Metrorail.

## SMART THINKING

At a time when everyone is looking for ways to save on costs, here's a way to give employees a benefit without breaking the bank!

- :: Employees get a benefit that's better than a raise and it's tax-free.
- :: Employers provide a valuable employee benefit for a minimal cost.
- :: Because of tax savings, a \$100 monthly direct transit benefit is equal in value to a \$1,400 a year raise – but costs the employer just \$600 per year!
- :: Employers provide a "green" benefit that helps reduce traffic congestion, improve air quality, enhance the business environment and contributes toward becoming a Montgomery County Certified Green Business.

## LEARN MORE

Call, email, or visit our website to take the next smart step.



### CALL

240-773-BWTW (2989)



### EMAIL

mcdot.CommuterServices@montgomerycountymd.gov



### VISIT

montgomerycountymd.gov/commute

# If your company is located in Montgomery County, we'll help you every step of the way, just like we've helped these other cool commuter benefits-providing employers.

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*"Commuter Services staff met with me and walked me through all the options. With their help you'll see how easy it is to put together a transit benefit plan that really works for your company. And the employees just love it!"*

– Polinger, Shannon & Luchs



**Don't wait to take advantage of this opportunity, call 240-773-BWTW (2989) for more information now.**



**Better Ways To Work!**  
Montgomery County Commuter Services

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