Employer pre-tax webinar

Presented by Deborah Jones
iCommute Employer Program
April 27, 2016, 10 - 11 a.m.
Employer pre-tax webinar

• Welcome!

• Helping employees commute to work better and smarter
  – iCommute Employer Program and Diamond Awards

• Commuter Fringe Benefits, AKA pre-tax
  – Commuter Benefit Solutions presents the what, who, and how of pre-tax

• Q&A
Commuting in the San Diego region

- The average San Diegan:
  - spends 1-2 hours each day getting to and from work
  - spends 15-20% of their income on transportation related expenses
  - looks to their employer for commuting solutions
Employers, help your employees to:

- Reduce commute costs
- Increase take-home pay
- Live a healthier lifestyle
- Reduce stress and increase productivity
- Stay at your company (commute is a top reason why employees leave their job)
iCommute

- iCommute is the regional commuter assistance program
- encourages the use of transportation alternatives
  - carpool, vanpool, transit, bike, walk, and teleworking
- helps reduce traffic congestion and greenhouse gas emissions
- is a program of SANDAG, the regional planning agency
iCommute employer services

- Provide employee surveys and mapping services to find current commuting behavior and needs
- Create a trip reduction plan for your company
- Hold informational meetings and training sessions onsite
- Provide incentives and marketing materials to stimulate participation
- Offer technical support
- Offer contests, challenges, and regional recognition
Local employers with pre-tax benefits
Case Study: Watkins Manufacturing

- Offers pre-tax for transit and vanpool
- Subsidizes 50% of vanpool costs, gives $35 toward transit passes
- Provides preferred parking for carpools and vanpools
- Hosts ZIP Code Parties to facilitate carpool matching
- Has over 70 vanpoolers in 8 vans
- Won the Rideshare Challenge in 2015
iCommute programs worth leveraging

- $400 per month vanpool subsidy
- Try Transit program - 30 days to try transit for free
- Guaranteed Ride Home - for the “what if”
- Free bike services – includes tune-ups and safety classes
- Monthly prize drawings
Next:
Commuter Benefit Solutions
Pre-Tax Commuter Benefits
Savings That Make Cents
WHO WE ARE

The Industry Experts

Edenred Commuter Benefit Solutions is the nation’s leading provider of commuter benefits. We’ve been making Commuter Benefits a staple in employee benefit packages nationwide since 1985.

- Serves over 12,000 employers and 1.9 million employees, including 10% of Fortune 500 companies and 20% of Fortune 100 companies
- Partners with over 50 national third party administrators (TPAs), 350+ Transit Agencies, 5,000+ parking locations, and 650+ bicycle shops
- Manage commuter programs for some of the largest transit authorities in the country: Boston, Chicago, and Philadelphia.
- We offer 4,400 different products that are accepted at 460 transit agencies, more than 650 bicycle shops (and growing), and 5,000 parking and vanpool locations across the U.S.
A BENEFIT FOR EVERYONE
A win-win for employers and employees

HERE’S WHY:

EMPLOYERS

▪️ The employee pre-tax withholdings lower the employers’ total tax burden, decreasing payroll taxes
▪️ A more robust benefits program that attracts and retains employees

EMPLOYEES

▪️ The pre-tax commuter benefit lowers their taxable income so they pay less in federal, state, and local taxes
▪️ The savings from the pre-tax benefit can pay for their commute
WHAT ARE COMMUTER BENEFITS?

Qualified Commuter Benefits Include:

- Transit / Vanpool - $255/month cap pre-tax
- PARKING - $255/month cap pre-tax
- BIKING - $20 per month subsidy
WHAT ARE COMMUTER BENEFITS?
 Employer-Provided Pre-Tax Benefits

Similar to Flexible Spending Accounts (FSAs), but better!
- LESS regulation and paperwork
- Every month is open enrollment
- No “use it or lose it” clause
WHY OFFER COMMUTER BENEFITS?

Benefits the Employer

- Company saves payroll tax of 7.65%
  - Savings of up to $470 annually per Employee!*

- Example: If your company has 50 employees participating in the benefit...that’s a savings of $23,500 annually!

*Calculations assume annual earnings of each participating employee is below the Social Security Wage Base of $118,500. Savings are for illustrative purposes only and assume all participants elect transit and parking benefits.
WHY OFFER COMMUTER BENEFITS?

Benefits the Employees

- Save up to 40% on transit and vanpool costs
- Help the planet by reducing your carbon footprint
### How Much Can Employees Save?

#### Transit and Parking

<table>
<thead>
<tr>
<th></th>
<th>Transit</th>
<th>Parking</th>
<th>Both</th>
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</thead>
<tbody>
<tr>
<td>Pre-Tax Deduction</td>
<td>($255)</td>
<td>($255)</td>
<td>($510)</td>
</tr>
<tr>
<td>Federal Income Tax Savings</td>
<td>$765</td>
<td>$765</td>
<td>$1,530</td>
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<tr>
<td>FICA Savings</td>
<td>$234</td>
<td>$234</td>
<td>$468</td>
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<tr>
<td>State/City Income Tax Savings</td>
<td>$184</td>
<td>$184</td>
<td>$368</td>
</tr>
<tr>
<td>Total Annual Employee Savings</td>
<td>$1,183</td>
<td>$1,183</td>
<td>$2,366</td>
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Employees can save up to **$1,183** per year with the pre-tax transit benefit. For those that choose pre-tax monthly parking, the savings increases up to **$2,366** per year!
SET UP IS EASY

Just 4 simple steps to get started:

1. Log on to enroll and submit a roster of eligible employees, using our convenient upload utility. All that is required is the employees first and last name, email address and home address.

2. Employees go to their online Commuter Benefits portal to enter user information and place their orders prior to the company’s established benefit month cut-off date.

3. Commuter Benefit Solutions provides a monthly order file for employee payroll deduction purposes and a funding report for payment.

4. Orders are fulfilled before the 1st of each month.
COMMUTER BENEFIT PRODUCTS

SmartCards

- Provided by MTS and NCTD
- Available for transit fare payments
- Popular Cards:
  - Compass Card – San Diego
A personalized reloadable card that can be used at parking agencies, designated parking retail centers or transit authorities.

2 forms – Reloadable and Non Reloadable

Funds roll over each month and employees have 24/7 access to account information.

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 of MasterCard International Incorporated.
COMMUTER PRODUCTS

COMMUTER CHECK VOUCHER

- Vouchers can be redeemed for San Diego transit expenses including bus, train and trolley!
- Qualified SANDAG vanpool expenses can be paid for through Commuter Check vouchers up to the IRS maximum, excluding gas.
- Vouchers are made payable direct to the transit provider.
VALUE PROPOSITION

Why Employers Love Commuter Benefits

- Easy to administer
- Promotes efficiency and productivity with employees (less stressed, on time)
- Helps with employee retention (enhances benefit package offerings)
- Commuter Benefit Solutions provides pre-tax commuter savings to companies nationwide

There is NO Downside to Commuter Benefits!!!
Our extensive experience in the commuter benefits industry has shown us that the biggest roadblock to benefit utilization is employees’ lack of awareness and understanding of how commuter benefits work.

We have the experience and knowledge of employer and employee behavior and we have developed a complete suite of materials to help increase employee participation.

- Announcement letters
- Sign-up guides
- E-mail templates
- Posters
- Surveys and MORE!
CUSTOMER SUPPORT

Support Team

Hours of Operation: Monday through Friday 8:00 am through 8:00 pm EST

Support for:

- Participants
- Company Administrators
- Live Chat
- All Commuter Check Prepaid Debit Card inquiries
Contact

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