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## Pre-tax benefit for transit subsidy program participants begins Friday

Before-taxes payroll deduction means more savings for employee commuters

(June 16, 2009) Transit subsidy participants are now eligible for an additional tax break, reports Stefan Chasnov, DEO, Human Resources.

The Emergency Economic Recovery Act signed into law by President Obama, which aims to encourage the use of public transportation as part of the federal stimulus package, has temporarily increased the amount of pre-tax income that workers enrolled in employer-sponsored commuter benefits programs can use to pay for mass transit.

That amount will increase from \$120 per month to \$230 per month through December 31, 2010.

Metro will continue to contribute \$120 towards the transit subsidy tax free.

However, since the Emergency Economic Recovery Act allows for a total of \$230 to be set aside before taxes on a monthly basis, beginning with the deduction for the July fare media this Friday, participants in the Do the math

Example #1: You receive a monthly Metrolink pass from Baldwin Park to Los Angeles Union Station. The total cost of your pass is \$155.75. The cost breaks down as follows:

> • \$155.75 - \$120.00 (Metro's maximum monthly transit subsidy) = \$35.75

\$35.75 will be deducted on a pre-tax basis from your paycheck.

Example#2: You receive a monthly Metrolink pass from San Bernardino to Los Angeles Union Station. The total cost of your pass is \$300.50. Your cost breaks down as follows:

> \$300.50 - \$120.00 (Metro's) maximum monthly transit subsidy) = \$180.50

\$110.00 of the \$180.50 will be deducted on a pre-tax basis from your paycheck; \$70.50 will be deducted from your paycheck on an after tax basis. Your total payroll deduction will be \$180.50 (\$110.00 + \$70.50).

transit subsidy program will now be able to withhold up to an additional \$110 before taxes per month to pay for participants' portion of the monthly fare media.

Any deduction in excess of \$110 will be deducted on an after-tax basis.

Employees that purchase a Metrolink pass at their city of residence will now get a transit check for the full amount of the pass. The difference between Metro's transit subsidy of \$120 and the actual cost of the pass will be deducted from their paycheck before taxes.

The cities that offer a discount are: Azusa, Diamond Bar, La Puente, La Verne, Walnut, West Covina and Pomona.

For more information, contact program coordinator Terree Holman, (213) 922-7118.

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