

Commuter Benefit Enrollment Guide

Use pre-tax dollars for work-related mass transit and/or parking expenses and save money on your transportation costs!

OVERVIEW

A commuter reimbursement plan enables you to set aside money on a pre-tax basis to pay for your work-related transportation expenses (e.g. bus vouchers and passes, ferry passes, vanpool, commuter rail) and/or work-related parking expenses.

TAXES 101

Before we go into the details of how the benefit works, here's a quick introduction to how taxes work. The federal government takes about 30% of each dollar that you earn in FICA and federal income tax, and you take home the remaining 70% to use for your living expenses. With a transportation reimbursement benefit, you can set aside money from your paycheck to pay for eligible expenses, before the federal government takes their 30%. Let's look at an example of how you save:

Employees A and B both earn \$35,000 per year after exemptions and standard deductions. They both also pay \$2,400 per year for transit expenses.

Employee A <i>Without Commuter Plan</i>	Employee B <i>With Commuter Plan</i>
\$35,000.00 Gross Pay	\$35,000.00 Gross Pay
<u>-\$7,092.50 Taxes</u>	<u>-\$2,400.00 Transit Costs</u>
\$27,908.00	\$32,600.00
<u>-\$2,400.00 Transit Costs</u>	<u>-\$6,548.90 Taxes</u>
\$25,508.00 Net Pay	\$26,051.10 Net Pay
\$2,125.66 Monthly Pay	\$2,170.93 Monthly Pay

Employee B saves \$45.27 per month using an FSA — that's over \$543.24 per year in savings!

The federal income tax rates change on a yearly basis. In addition to federal income tax, you may also have a state income tax. FSA deductions are exempt from FICA, and federal income tax. Although each state differs, deductions are typically exempt from most state and local taxes as well.

SIMPLE FUND ACCESS

Use your Navia debit card to pay for expenses and have the amount automatically deducted from your commuter benefit account. We make claim submission easy through our mobile app and online portal.

Still have questions on how the Commuter Benefit works?

Visit Us Online
www.naviabenefits.com

Call Us
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