



Commuter Benefits: 101

A complete guide to understanding how commuter benefits work.



Why offer commuter benefits?

Simple answer: to save money.

Employee expectations for benefits are changing, and the benefits you offer need to keep up with those expectations. With our simple-to-use commuter benefits, participating employees save an average of \$790 a year in taxes.

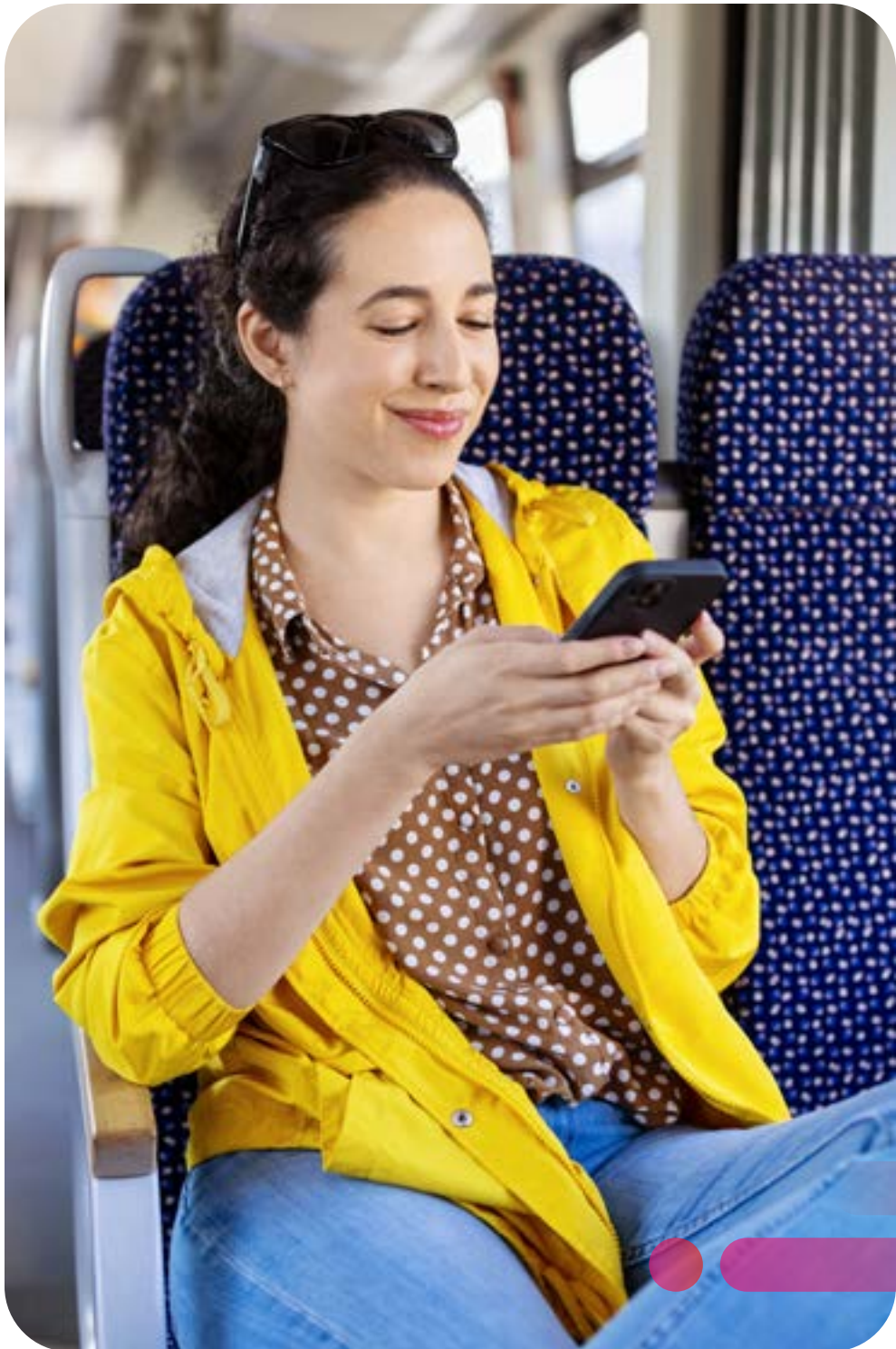
Companies can save up to 7.65% on payroll costs – or \$480 annually per employee – while putting money back in the pockets of employees. Exactly the type of benefit that meets employee needs and increases retention.

Make the trip into work easier and cheaper – especially for frontline and hybrid workforces.



Non-traditional benefits can help employers stand out by offering uncommon perks that positively impact company culture and help retain top talent.





What are commuter benefits?

Commuter benefits are tax-free fringe benefits authorized by Section 132(f) of the Internal Revenue Code, which allows employees to pay for commuting expenses using pre-tax dollars. Companies also benefit because they save on payroll taxes each year. Qualified commuting expenses include transit, vanpools and parking. Post-tax options include biking, Lyft private rides and micromobility.

Employees participating in commuter benefits save an average of \$790 per year in taxes and companies can save \$480 annually for each employee participating in the program.

Pre-tax benefits

A wide variety of commuting products ensures that no matter how your employees commute, they can enjoy the savings and convenience of the benefit. We offer products in any dollar value your employees need, starting at \$10 and up.

Qualified commuting expenses

- Bus, ferry, train, trolley tickets and passes
- Parking expenses: meters, garages and lots
- Vanpool fees

Expenses that are not covered

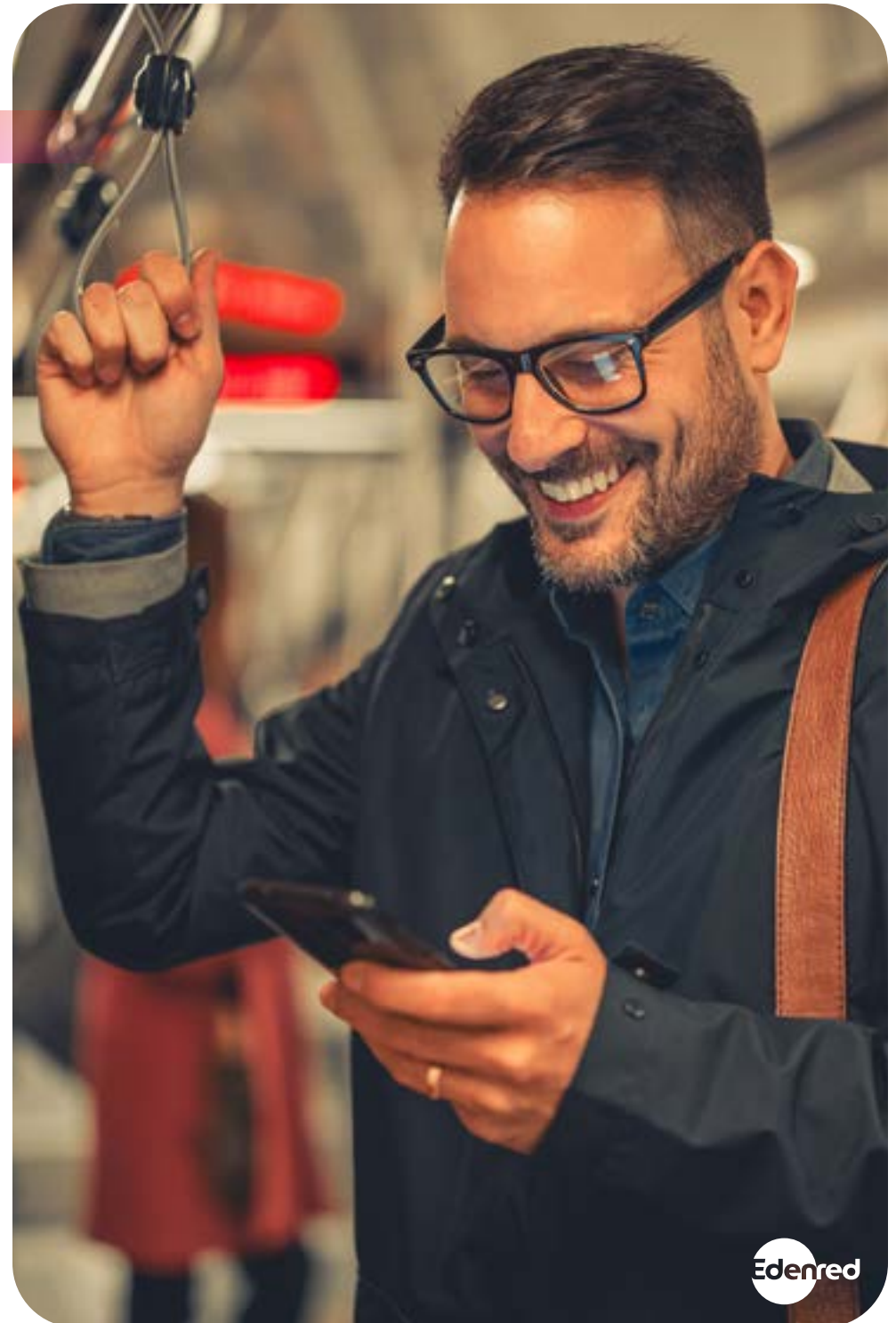
- Biking
- Tolls
- Taxis
- Gas/fuel
- Mileage
- Business trip costs
- Airport parking fees
- Residential parking fees



Commuter benefits pre-tax limits

The IRS updates the commuter benefits pre-tax limits yearly. For the most up to date information, please visit:

www.edenredbenefits.com/tax-limits





Post-tax benefits

Edenred's micromobility add-on lets you offer green commuting options to your employees, which can give your brand a lasting environmental impact.

Our micromobility options include:

- Bike shops
- Bike sharing
- eBikes, eScooters and eMoped rentals
- Edenred Private Rides through Lyft

How does it work?

Funds can be added to employees' commuter benefits accounts either by a company subsidy or direct employee funding from their payroll. Employees use that money to pay for the commute of their choice. We'll take care of the rest: we will identify and manage all pre-tax eligible expenses.



Micromobility can replace how employees commute, or help connect them to the first and last mile, and they can pay for it all with one card.



How the savings works for employers

Employers can save up to 7.65% on payroll costs each year with ease.

Managing your commuter benefit programs is simple, and you only need one employee to get started. Edenred's innovative, intuitive and flexible commuting options encourage company-wide employee participation, helping your savings grow even further.

Subsidies vs. pre-tax deductions

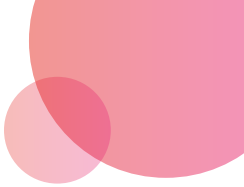
A subsidy is an employer-paid benefit, while a pre-tax deduction is taken from the employee's payroll. Commuter benefits can be offered as a subsidy, pre-tax deduction, or a combination of both. Subsidies are often more cost-effective when considering giving an employee the equivalent raise, saving employers payroll taxes and employees from higher taxable income.



How much could your company save?

Try our [online calculator](#) to see how much you could save in payroll taxes each year.





Frequently asked questions

> What kind of companies choose Edenred Benefits?

We partner with companies of all sizes across a variety of industries, including healthcare, technology, education and finance. Our products are accepted nationwide, so no matter where your office is located, we offer commuting solutions to fit your employees' needs.

> How many employees do I need to sign up?

There is no minimum. Companies can sign up for commuter benefits with just one employee.

> How much does it cost?

Costs vary based on the number of employees and the specific details of your program. Our Edenred team will guide you toward the best options for your group. Many companies find that program costs are offset – or even exceeded – by payroll tax savings.

> How do employees get their commuting products?

We will either ship products directly to your employees via USPS, or load electronically. Options are available for your employees' orders to recur monthly, so they can "set it and forget it".



Edenred around the world

Globally, Edenred offers innovative specific-purpose payment solutions for employee benefits & engagement, mobility and B2B payments.

1 million
corporate clients

44
countries

60 million
participants



Edenred in the U.S.

Since 1985, Edenred Benefits has served Fortune 100 and Fortune 500 companies, top-third party benefit administrators and currently manages the commuter programs for 3 of the nation's largest metropolitan area transit authorities, including Boston, Philadelphia and Chicago.

Learn more about offering commuter benefits to your team at:
www.edenredbenefits.com/learn-more

Request a Demo

