

# The ABCs of Implementing the Transit Benefit Fare Program

## I. The Three Decisions

- A. Decide how it's paid for
  - 1. Corporate subsidy
  - 2. Employee pre-tax deduction
  - 3. Combination
- B. Decide what to make available
  - 1. Chicago Card Plus
  - 2. FareChecks
  - 3. Transit Cards
- C. Decide how to distribute Cards/Checks
  - 1. Pick-up
  - 2. Mail or delivery
  - 3. Multi-site issues/ Third -party providers

## II. The Three Actions

- A. Enroll employees
  - 1. Transit toolbox
    - a) Announcement memo
    - b) Enrollment forms
    - c) CTA presentations to employees
- B. Adjust payroll
  - 1. As necessary
  - 2. Limited burden of proof required by IRS
- C. Place order
  - 1. Single form for both RTA FareChecks & CTA Transit Cards
    - a) Mailed with check
    - b) Delivery within 10 days
    - c) Distribute the checks/cards
  - 2. Online ordering process for Chicago Card Plus
    - a) Log on to account to place order
    - b) Submit payment via company check or ACH transaction

## III. And Two Possibilities

- A. Transit Days
  - 1. Distribution of information (maps, timetables, etc.)
  - 2. Answering of transit questions
- B. Other New Business Services
  - 1. Assisting with corporate relocations

# Sample Announcement to Employees

DATE:

FROM: (Ideally someone from upper management)

RE: NEW EMPLOYEE BENEFIT

Introducing (YOUR COMPANY'S NAME HERE)'s newest employee benefit: the RTA/CTA Transit Benefit Fare Program. Based on a federal tax law designed to encourage the use of transit, the Transit Benefit Fare Program will allow our employees to pay their transit fares by ordering Chicago Card Plus cards, CTA Transit Cards or RTA FareChecks using pre-tax earnings to pay for them. Transit Cards, which are good for rides on CTA and Pace, and FareChecks, which can be exchanged for CTA, Metra, South Shore or Pace passes and tickets, will then be delivered directly to our company for distribution. Chicago Card Plus participants will have their cards mailed directly to their homes.

If you are currently a transit user, the cost savings for you could be as much as \$533 annually. If you are not currently a transit rider, by participating in this program you can receive what amounts to up to a 40 percent discount. **As a double bonus**, CTA's Chicago Card Plus cards earn a \$2 bonus for every \$20 added to a card (bonus does not apply to 30-day passes). CTA Transit Cards do not offer the bonus value.

If you would like to learn more about this addition to your benefit package, a CTA or RTA Transit Representative will give an informational presentation on (DATE) in (LOCATION) and on (DATE) in (LOCATION). If you cannot attend one of the presentations, you can pick up an information packet in (LOCATION).

# Sample Employee Certification (Employer/Employee Combination Payment)

I hereby acknowledge receipt from my employer of an RTA FareCheck, CTA Transit Card, or a partial subsidy toward the purchase of said items in the amount of \$\_\_\_\_\_per month.

**Additionally, I hereby authorize my employer to deduct:**

\$\_\_\_\_\_ from my monthly wages for a total benefit of \$\_\_\_\_\_ not to exceed \$115 per month, on a pre-tax basis, to be used for the purchase of CTA Transit Cards or Chicago Card Plus;

**OR**

\$\_\_\_\_\_ from my monthly wages for a Reduced Fare 30-Day Pass for a total benefit of \$\_\_\_\_\_(\$35) (valid only with RTA ID for Seniors and Riders with Disabilities);

**OR**

\$\_\_\_\_\_(An amount equal to or less than \$115) for a total benefit of \$\_\_\_\_\_ not to exceed \$115 per month, on a pre-tax basis, for an RTA FareCheck, which can be exchanged for transit where fares or passes are sold (Valid for CTA, Metra, Pace, South Shore and VPSI vanpool fare media).

Signed:\_\_\_\_\_

Date:\_\_\_\_\_

# Sample Payroll Deduction Authorization (Pre-Tax Approach)

I hereby authorize my employer to deduct:

\$\_\_\_\_\_ (\$30, \$35, \$40, \$50, \$60, \$65, \$75) from my monthly wages on a pre-tax basis, not to exceed \$75 per month to be used for the purchase of one CTA Transit Card per month;

**OR**

\$\_\_\_\_\_ (\$30, \$35, \$40, \$50, \$60, \$65, or \$75) for a Chicago Card Plus reload;

**OR**

\$\_\_\_\_\_ (\$35) for a Reduced Fare 30-Day Pass (valid only with RTA ID for Seniors and Riders with Disabilities);

**OR**

\$\_\_\_\_\_ (An amount equal to or less than \$115) for an RTA FareCheck, which can be exchanged for transit where fares or passes are sold (Valid for CTA, Metra, Pace, South Shore and VPSI vanpool fare media).

Signed:\_\_\_\_\_

Date:\_\_\_\_\_