



RideECO Employee Certification

I, _____, hereby certify that I regularly commute to work to

[Company Name] _____ by:

SEPTA PATCO NJTransit Vanpool DART Amtrak Other: _____

I also agree that each RideECO voucher, which may be issued to me now or in the future, shall be redeemed by me solely in connection with my commute to work. I shall not allow any RideECO voucher to be redeemed by or used for the benefit of anyone other than myself. I understand that it is a violation of the Internal Revenue Code to sell RideECO vouchers.

Name (Print)

Employee Number

Signature

Date



Employee Survey: Central PA

We are considering introducing RideECO, a commuter benefit program for employees. Below are a few questions that we have about your commute habits. Please mark your responses to each question based on your own experience. Your participation in this survey will help determine if this new addition would be beneficial to our employees.

Name: _____

1) On average, how many days each week do you commute to work on public transportation? _____

2) Which transit systems do you use to commute to work? *(Check all that apply)*

<input type="checkbox"/> CAT	<input type="checkbox"/> Amtrak	
<input type="checkbox"/> LT	<input type="checkbox"/> rabbittransit	
<input type="checkbox"/> Vanpool	<input type="checkbox"/> Red Rose	Other _____

3) What product do you buy for your transit rides? *(Check all that apply)*

<input type="checkbox"/> Monthly Pass	<input type="checkbox"/> Ten-trip Ticket
<input type="checkbox"/> Weekly Pass	<input type="checkbox"/> Fare Card Loads
<input type="checkbox"/> Single Ticket	

4) About how much money do you spend per month on public transportation? _____

5) Would you be interested in a monthly pre-tax payroll deduction to cover up to \$265 of your transit expenses? When you pay for your commute on transit with pre-tax dollars, you can save nearly \$1,000 each year.

Yes No

6) RideECO vouchers come in variable denominations in whole dollar amounts that can be combined in any way up to \$265 per month. Which denominations best meet your needs? Please note that you will not receive change when redeeming RideECO vouchers and you are limited to redeeming **ten** vouchers at one time.

<input type="checkbox"/> \$15	<input type="checkbox"/> \$35
<input type="checkbox"/> \$20	<input type="checkbox"/> \$60
<input type="checkbox"/> \$21	<input type="checkbox"/> \$65
<input type="checkbox"/> \$30	<input type="checkbox"/> Custom Denomination <i>(whole dollar amount, ranging from \$15 to \$265)</i>

Thanks for your participation!



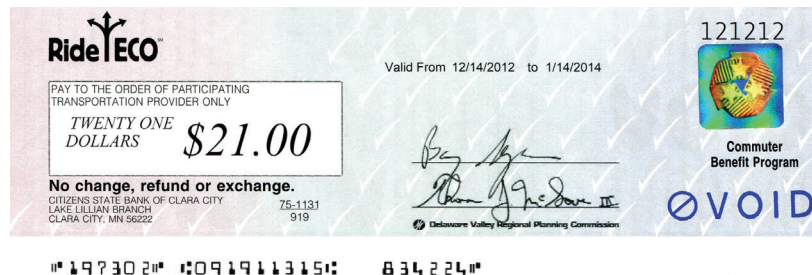
Transportation Benefits

RideECO is a commuter benefit program that our company offers to our employees to defray the cost of commuting on public transit. Under Section 132(f) of the U.S. Internal Revenue Code, employees can receive/take up to \$265/month or \$3,180/year in RideECO benefits. RideECO dollars are exempt from Federal Income Tax and FICA Payroll taxes.

RideECO vouchers can be redeemed to purchase all types of fare instruments:

- Tickets
- Fare Card Loads
- Monthly Passes
- Weekly Passes
- Single-ride Tickets

Every transit agency in the region—SEPTA, PATCO, NJ Transit, DART First State and Amtrak (monthly commuter tickets only) accepts RideECO vouchers. Even vanpool providers accept RideECO benefits. Please see RideECO.org for a complete list of participating transit agencies.



(Image of actual RideECO voucher)

RideECO vouchers are valid for 13 months from the date of issue (*printed on voucher*) and should be handled with care. They are a bearer document and cannot be traced if lost or stolen. You cannot redeem more than **ten** RideECO vouchers at one time; however, you can redeem more than the \$265 monthly cap amount. The monthly cap (as determined by the IRS) is limited to \$265 per month. Also, you cannot receive change if your purchase is less than the face value of your RideECO voucher.

If you commute on public transportation, even occasionally, it is useful as well as economical to utilize this RideECO benefit.

NOTE: If you need further explanation of this benefit please visit www.RideECO.org or talk with someone in Human Resources.



Five Easy Steps for Getting Started With RideECO

You can be up and running with RideECO in about a month!

1. Design a program that fits your needs.

- Use the RideECO Employee Survey to get an idea of how many people are interested in participating and at what level. Also, ask what transit provider they commute on.
- Choose from the low-cost, original RideECO program or our premium benefits administration service, RideECO Select.
- Select a Program Option: employee-paid, employer-paid, or share-the-fare.
- Consider how often you will order and distribute RideECO vouchers. To save on shipping and handling costs, order quarterly or semi-annually. Even if you order quarterly, you can distribute vouchers to employees on a monthly basis. However, please note that if you decide to upload the RideECO benefit onto PATCO riders' FREEDOM Cards, that benefit will be uploaded in full at the time of your order. If you wish to have uploads occur monthly, then you must place a monthly order for FREEDOM loads (you can continue to order vouchers quarterly).

2. Coordinate with your human resources, payroll, and accounting departments.

- If you are offering RideECO through employee-paid payroll deductions, talk with your payroll department or payroll provider and let them know you want to coordinate a pre-tax payroll deduction for RideECO (i.e. transportation fringe benefit) under Section 132(f) of the U.S. Internal Revenue Code. Let them know when you want deductions to begin, and how often they should occur. Assess the impact of any salary deduction on other benefits.
- Employers determine employee eligibility and should be aware of any relevant equity issues.
- Remember, we offer variable denominations (ranging from \$15 to \$265) which can be combined to reach any level of participation, up to \$265 per month per employee.
- You are welcome to streamline your program by offering a fixed benefit amount or providing only a selection of voucher denominations. For example, you may offer employees two \$35 vouchers each month.

continued on next page...



3. Set policies and create an optional benefit plan document.

- Employers decide how the RideECO program will be administered.
- Unlike many federally-sanctioned benefits, you are not required to prepare a benefit plan when you offer RideECO. However, it is a good idea to let employees know how the program works.
- Create an (optional) company policy document that lets employees know how to enroll in and leave the program, the allowable benefit amount, relevant dates, payroll deduction schedules, and how your organization will handle issues of voucher expiration or abuse.
- For pre-tax payroll deduction, you may utilize our Payroll Deduction Authorization Form to obtain the RideECO election amount of each participant. Employers decide how often employees can opt in or opt out of the program, or change their deduction amount.
- Consider asking participants to sign the Employee Certification form. This form advises employees of the IRS requirement that RideECO vouchers be redeemed only by the person to whom they are issued.

4. Place order.

- Visit www.RideECO.org and click “Login.”
- Mail the confirmation of your order with payment (check or ACH transfer).
- Your first order of vouchers will arrive in about three weeks (subsequent orders take about two weeks).

5. Educate employees, distribute vouchers, and re-order.

- Clearly communicate to employees when they should expect vouchers and payroll deductions if applicable.
- RideECO representatives are available to conduct presentations, attend benefit fairs, and provide instructional materials.
- Delivering RideECO vouchers can easily be done when paychecks are distributed. (If you choose RideECO Select, you don’t even have to think about distribution!)
- Re-order monthly, quarterly, or as-needed.
- For re-orders, visit your account on www.RideECO.org and place your next order online.

For more information, visit www.RideECO.org or call 215.592.1800.



Employee Survey

We are considering introducing RideECO, a commuter benefit program for employees. Below are a few questions that we have about your commute habits. Please mark your responses to each question based on your own experience. Your participation in this survey will help determine if this new addition would be beneficial to our employees.

Name: _____

1) On average, how many days each week do you commute to work on public transportation? _____

2) Which transit systems do you use to commute to work? *(Check all that apply)*

<input type="checkbox"/> SEPTA	<input type="checkbox"/> Amtrak	
<input type="checkbox"/> PATCO	<input type="checkbox"/> NJTransit (Bus or RiverLINE)	
<input type="checkbox"/> Vanpool	<input type="checkbox"/> DART	Other _____

3) What product do you buy for your transit rides? *(Check all that apply)*

<input type="checkbox"/> Monthly Pass	<input type="checkbox"/> Ten-trip Ticket
<input type="checkbox"/> Weekly Pass	<input type="checkbox"/> SEPTA Key Card
<input type="checkbox"/> Single Ticket	<input type="checkbox"/> PATCO FREEDOM Card

4) About how much money do you spend per month on public transportation? _____

5) Would you be interested in a monthly pre-tax payroll deduction to cover up to \$265 of your transit expenses? When you pay for your commute on transit with pre-tax dollars, you can save nearly \$1,000 each year.

Yes No

6) RideECO vouchers come in variable denominations in whole dollar amounts that can be combined in any way up to \$265 per month. Which denominations best meet your needs? Please note that you will not receive change when redeeming RideECO vouchers and you are limited to redeeming **ten** vouchers at one time.

<input type="checkbox"/> \$15	<input type="checkbox"/> \$35
<input type="checkbox"/> \$20	<input type="checkbox"/> \$60
<input type="checkbox"/> \$21	<input type="checkbox"/> \$65
<input type="checkbox"/> \$30	<input type="checkbox"/> Custom Denomination <i>(whole dollar amount, ranging from \$15 to \$265)</i>

Thanks for your participation!



RideECO Employee Certification: Central PA

I, _____, hereby certify that I regularly commute to work to

[Company Name] _____ by:

CAT LT rabbittransit Amtrak Red Rose Vanpool Other: _____

I also agree that each RideECO voucher, which may be issued to me now or in the future, shall be redeemed by me solely in connection with my commute to work. I shall not allow any RideECO voucher to be redeemed by or used for the benefit of anyone other than myself. I understand that it is a violation of the Internal Revenue Code to sell RideECO vouchers.

Name (Print)

Employee Number

Signature

Date



Payroll Deduction Authorization

In accordance with the “Qualified Transportation Fringe Benefit” governed by 26 USC Section 132(f), I authorize my employer to deduct \$_____ from my monthly wages (on a pre-tax basis, not to exceed \$265 per month) to be used for purchase of my transit fare as defined by the IRS code. I understand that I will receive RideECO vouchers for this amount, to be redeemed for fare materials.

Signature

Date

RideECO vouchers come in variable denominations in whole dollar amounts that can be combined in any way up to \$265 per month. Which denominations work best for you? Remember, you will not get change back for a RideECO voucher, and you can redeem up to **ten** vouchers at a time.

_____ \$15
_____ \$20
_____ \$21
_____ \$30

_____ \$35
_____ \$60
_____ \$65
_____ Custom Denomination (*whole dollar amount, ranging from \$15 to \$265*)

PATCO Riders:

FREEDOM Card #: _____

Amount of upload: \$_____



RideECO Covers SEPTA Permit Parking Costs!

SEPTA commuters using RideECO can receive an additional \$25 RideECO voucher each month to pay for the cost of permit parking at 37 SEPTA Regional Rail stations (listed on page 3). This is \$25 in addition to the \$265 per month benefit for transit costs!

Section 132(f) the tax code that authorizes RideECO commuter benefits also allows for transit users to pay for their transit-related parking with pre-tax dollars. It is important to note that because strict verification requirements apply for the use of pre-tax dollars for parking, commuters who drop \$1.00 in the box each day to park do not qualify for this benefit because it is not a verifiable process. However, anyone at any time may initiate the Permit-Buy-Mail parking service and therefore become eligible for the additional \$25 RideECO parking benefit when it's combined with a monthly Trail Pass purchase.

Many commuters already use SEPTA's Permit-Buy-Mail program each month to purchase their parking permit and their monthly TrailPass. And because they are purchasing their parking permit directly from SEPTA, which is a verifiable process, from a provider that already accepts RideECO vouchers, we can offer the additional \$25 RideECO voucher to cover that purchase when it's combined with a monthly TrailPass purchase.

If you administer the RideECO program at your workplace, talk with your payroll department about setting up a separate deduction for parking. Qualifying employees can take \$25 each month for parking in addition to \$265 for transit fares. Then all you have to do is simply order more \$25 RideECO vouchers to accommodate them.* Your employees will send all \$290 of their RideECO vouchers to SEPTA's vendor Edens Corporation to purchase their monthly parking permit and their monthly pass. More tax savings for everyone!

If you have any questions about adding this benefit for your employees, please contact a RideECO professional at 215-592-1800.

*Remember, only SEPTA Permit-Buy-Mail commuters can take advantage of the additional parking benefit.

Employees interested in this additional benefit to cover monthly parking costs should call SEPTA's Parking Permit Program at 215-580-6576 to obtain an application.



Answering Your Questions About RideECO & SEPTA's Permit Parking...

Q: Who is eligible for the extra \$25 benefit?

A: Permit-Buy-Mail commuters ONLY! Ask your employees if they participate in Permit-Buy-Mail. If so, they can qualify for an extra \$25 benefit. However, they MUST also purchase their monthly TrailPass along with the monthly parking permit via mail to be eligible for the additional \$25 benefit, which is a transit-related parking expense.

Q: Why is it limited?

A: The tax law that authorizes the RideECO program has provisions for both transit costs and transit-related parking expenses. Because there are strict guidelines in the tax code about the substantiation of transit-related parking expenses, only employees purchasing parking permits directly from SEPTA (a substantiated process), using RideECO vouchers, meet the guidelines to receive the extra \$25 RideECO voucher when it's combined with a monthly TrailPass purchase via mail.

Q: Is it possible for an employee to start the Permit-Buy-Mail service, if they haven't already?

A: Yes. Participation in SEPTA's Permit-Buy-Mail can begin at anytime by calling 215-580-6576. However, they must purchase their parking permit AND monthly TrailPass via mail to receive the extra \$25 benefit.

Q: Do we have to offer this additional benefit?

A: No. You are under no obligation to extend the additional \$25 deduction. It's your decision based on your employees and their commuting habits.

Q: We would like to offer the additional benefit. What do we do?

A: First, talk with your payroll department or provider about setting up a separate deduction code for parking. (You'll want to make sure that the additional \$25 deduction for transit-related parking is separate from the money deducted for transit expenses.) Then order an extra \$25 RideECO voucher for those employees, in addition to the \$265 each month.

The employee will have to submit (via mail) the entire \$285 in RideECO vouchers to SEPTA for their parking permit AND monthly TrailPass purchase. (Also note that the employee must make up the difference if it costs more than \$290.)

NOTE: If you have employees who currently purchase their monthly pass and parking permit through the Permit-Buy-Mail program, you may immediately begin to offer these employees the additional \$25 per month to pay for their \$25 SEPTA parking permit. If you still have questions, please give us a call at 215-592-1800.



SEPTA Regional Rail Stations for Which Permit-Buy-Mail is Available:

Ambler*	Media*
Ardmore*	Merion*
Berwyn	Morton*
Berwyn Church	Norristown Transportation Center
Bethayres	North Wales
Bethayres Church	Oreland
Bryn Mawr*	Overbrook
Chalfont	Paoli
Chestnut Hill West	Philmont
Clifton-Aldan	Primos
Devon	Radnor*
Elkins Park	Rosemont
Exton*	Secane*
Fort Washington	Strafford*
Glenside*	Strafford Church
Haverford	Villanova
Jenkintown*	Wayne*
Langhorne	Willow Grove
Lansdowne	Wynnewood
Marcus Hook	

* These stations have waiting lists.

The cost of a parking permit at Fern Rock Transportation Center,* if available, is \$32.00.



RideECO Program Options

You can choose to offer RideECO as a pre-tax payroll deduction, an employer-paid benefit, or a combination of the two. There are also different ways to implement the pre-tax program. After you decide which option is most appropriate for your company, follow the instructions below for each option.

- **Option A:** Take pre-tax payroll deductions for RideECO from an employee's salary. This is the most common way to offer the program.
- **Option B:** Offer RideECO as an employer-paid benefit.
- **Option C:** Use a combination of A and B ("Share the Fare").

Here are some general tips to keep in mind:

- Regardless of which option is used, the maximum monthly RideECO benefit is \$265 per month (established by IRS regulation 132f).
- Different participation levels are possible using the various available denominations. To keep your program simple to administer, you may not want to offer every possible denomination. Consider limiting the options before raising employee expectations and creating an administrative challenge.
- If using the pre-tax payroll deduction option (Options A and C), you may also want to limit the frequency with which employees can change their RideECO deduction by having an open enrollment period quarterly or semiannually.
- After deciding on an option, determine the number of RideECO vouchers needed. You can calculate this based on the number of participating employees and voucher denominations multiplied by the number of months your order will cover. Ordering extra RideECO vouchers is advised, as ridership often increases with program implementation; employee turnover must also be accounted for.
- RideECO vouchers are valid for 13 months from the date of issue.
- If you have employees that ride PATCO, you can opt to provide them with RideECO vouchers or have their FREEDOM Cards loaded with RideECO benefits. (Employers need to collect FREEDOM Card serial numbers of their employees to do this. This is a preferred method as employees can only redeem RideECO vouchers for FREEDOM Cards in one of two ways: 1. in person at the Broadway station and Woodcrest station (limited hours) or 2. by mailing RideECO vouchers to PATCO.)
- To save time and handling costs, consider ordering a three-month or six-month supply. Remember, vouchers are good for 13 months from the date of issue.

Need further information? Please contact a RideECO representative at the Delaware Valley Regional Planning Commission at 215-592-1800 or visit www.RideECO.org.



RideECO Program Option A: *Employee-paid through pre-tax deductions from employee salary (most common way to offer program)*

This option allows RideECO to be provided at virtually no cost to employers, while reducing employee taxes dramatically. Employers and employees save! Implemented via payroll deduction, this option works easily with most of the automated payroll systems that large employers use. Employers can realize a savings in their FICA contribution. In some cases, the costs of offering a commuter benefit can be deducted as well.*

- **Tell your employees about RideECO and solicit enrollment.** Allow them to choose how much they want to deduct from their salary (up to \$265 per month/\$3,180 per year) and which denomination(s) they want. You may wish to limit the number of denominations that you offer to keep administration simple. A Payroll Deduction Authorization form is available.
- **Tabulate quantities and denominations.** Determine the number of RideECO vouchers for each denomination you'll need to order (see tip above). If you wish to upload the PATCO FREEDOM Card benefits electronically, collect your employees' FREEDOM Card serial numbers and the amounts they wish to have uploaded.
- **Establish a payroll deduction code for RideECO and arrange for payroll deduction processing.** No special record keeping or reporting is required; you only need to satisfy your internal office procedures. The deducted amounts can appear on employee pay stubs and on annual W-2 forms in Box 14 as nontaxable compensation. You can use the heading "RideECO" if needed.
- **Order the RideECO vouchers.** Visit our website to purchase RideECO vouchers and FREEDOM Card loads. Submit the order and your payment.
- **Distribute RideECO vouchers to employees.** RideECO vouchers can be distributed to employees at an established location or via hand delivery by an assigned staff person. Just as you would not leave paychecks in open mailboxes, it is best to distribute RideECO vouchers in a manner that ensures that the employee will receive them. You may wish (but are not required) to have employees sign a receipt for RideECO vouchers.
- **Redeeming RideECO vouchers.** The easiest part of the program is that once employees receive their RideECO vouchers, they purchase their own transit passes and tickets (or in the case of the PATCO FREEDOM Card, the benefit goes to your employees electronically). You avoid handling any fare materials!

* Please consult your accountant or tax attorney for details.



RideECO Program Option A (cont):

- **Update your personnel policy handbook.** Let employees know how to participate in the program. Include a description of the program in the handbook and on appropriate bulletin boards.

You may wish to include:

- The contact person at your company
 - A listing of available RideECO denominations
 - How new employees can participate in the program
 - How to change the amount employees receive
 - How and where employees can redeem RideECO vouchers
 - Local customer service phone numbers at participating transit agencies
 - Information on the availability of electronic uploads for PATCO FREEDOM Cards
- **Save copies of your RideECO order forms/invoice notices.** In some cases, the processing fees and shipping charges can be deducted as a business expense.* Purchase receipts are the only documentation that the IRS currently requires for employers.

If you would like to streamline your company's RideECO administration, please contact us about RideECO Select.

* Please consult your accountant or tax attorney for details.



RideECO Program Option B: *RideECO as an employer-paid benefit*

The employer-paid benefit approach is a very tax-efficient way to enhance employee compensation and boost your benefits package. Under this option, RideECO vouchers are paid for by employers and given to employees.

- **Decide how much to give.** The IRS allows you to provide up to \$265/month (\$3,180/year) to each employee in transit benefits.
- **Tabulate quantities and denominations.** Determine the number of RideECO vouchers for each denomination and collect FREEDOM Card serial numbers if you wish to load the benefit electronically for PATCO riders. As employees are not “charged” for RideECO vouchers under this option, transit usage will quickly grow, so a “high side” estimate is best for your first order.
- **Order the RideECO vouchers.** Order RideECO vouchers and FREEDOM Card loads at our secure, online ordering site at www.RideECO.org. Submit your order and send your confirmation with payment (check or ACH transfer).
- **Distribute RideECO vouchers to employees.** RideECO vouchers can be distributed to employees at an established location or via hand delivery by an assigned staff person. Just as you would not leave paychecks in open mailboxes, it is best to distribute RideECO vouchers in a manner that ensures that the employee will receive them. You may wish (but are not required) to have employees sign a receipt for RideECO vouchers.
- **Redeeming RideECO vouchers.** The easiest part of the program is that once employees receive their RideECO vouchers, they purchase their own transit passes and tickets (or in the case of the PATCO FREEDOM Card, the benefit goes to your employees electronically). You avoid handling any fare materials! Your first shipment will include employee instruction sheets that outline how to redeem RideECO vouchers. Additional copies are available upon request.
- **Update your personnel policy handbook.** Let employees know how to participate in the program. Include a description of the program in the handbook and on appropriate bulletin boards.

You may wish to include:

- The contact person at your company
- A listing of available RideECO denominations
- How new employees can participate in the program
- How to change the amount employees receive
- How and where employees can redeem RideECO vouchers
- Local customer service phone numbers at participating transit agencies
- Information on the availability of electronic uploads for PATCO FREEDOM Cards

Save copies of your RideECO order forms/invoice notices. In some cases, the processing fees and shipping charges can be deducted as a business expense.* Purchase receipts are the only documentation that the IRS currently requires for employers.

* Please consult your accountant or tax attorney for details.



RideECO Program Option C: *Combination of employee pre-tax salary deduction and employer-provided benefit (Share the Fare)*

With this option, the employer gives a portion of RideECO as a benefit, and employees pay the balance with pre-tax payroll deductions.

- Tell your employees about RideECO and decide how much the company will offer as a benefit to each employee. Then, allow them to choose how much of the difference (up to the maximum \$265 per month/\$3,180 per year) they would like to deduct in pre-tax dollars from their salary.
- Tabulate quantities and denominations. Determine the number of RideECO vouchers for each denomination that you'll need to order and collect FREEDOM Card serial numbers if you wish to load the benefit electronically for PATCO riders (see tip above).
- Establish a payroll deduction code for RideECO vouchers and arrange for payroll deduction processing. No special record keeping or reporting is required; you only need to satisfy your internal office procedures. The deducted amounts can appear on employee pay stubs and on annual W-2 forms in Box 14 as nontaxable compensation. You can use the heading "RideECO" if needed.
- Order the RideECO vouchers. Purchase RideECO and FREEDOM Card loads at our secure, online ordering site: www.RideECO.org. Submit the order and send your payment (check or ACH).
- Distribute RideECO vouchers to employees. RideECO vouchers can be distributed to employees at an established location or via hand delivery by an assigned staff person. Just as you would not leave paychecks in open mailboxes, it is best to distribute RideECO vouchers in a manner that ensures that the employee will receive them. You may wish (but are not required) to have employees sign a receipt for RideECO vouchers.
- Redeeming RideECO vouchers. The easiest part of the program is that once employees receive their RideECO vouchers, they purchase their own transit passes and tickets (or in the case of the PATCO FREEDOM Card, the benefit goes to your employees electronically). You avoid handling any fare materials! Your first shipment will include employee instruction sheets that outline how to redeem RideECO vouchers. Additional copies are available upon request.



RideECO Program Option C (cont):

- Update your personnel policy handbook. Let employees know how to participate in the program. Include a description of the program in the handbook and on appropriate bulletin boards.

You may wish to include:

- The contact person at your company
 - A listing of available RideECO denominations
 - How new employees can participate in the program
 - How to change the amount employees receive
 - How and where employees can redeem RideECO vouchers
 - Local customer service phone numbers at participating transit agencies
 - Information on the availability of electronic uploads for PATCO FREEDOM Cards
- Save copies of your RideECO order forms/invoice notices. In some cases, the processing fees and shipping charges can be deducted as a business expense.* Purchase receipts are the only documentation that the IRS currently requires for employers.

If you would like to streamline your company's RideECO administration, please contact us about RideECO Select.

* Please consult your accountant or tax attorney for details.



Tax Code Information

RideECO is considered a “Qualified Transportation Fringe Benefit” and is governed by section 132(f) of the Internal Revenue Code, as amended on June 9, 1998, by Title IX, Section 9010 of the Transportation Equity Act for the 21st Century, Public Law 105-178. An official version of the tax is found at 26 U.S.C. Section 132(f).

The law allows employers to give employees up to \$3,180 per year in RideECO as a pre-tax payroll deduction or a tax-free employee benefit. Any expenses associated with the program can be fully deducted by employers. (Please consult your accountant or tax attorney.)

Administration

Implementing RideECO is easy. There are no complex regulations and requirements like those associated with Section 125 plans (Flexible Spending Accounts) and “use it or lose it” provisions **do not apply**. Employers do not need to submit special plans for RideECO; any documentation is at the discretion of the employer.

Cash reimbursement

Because of the popularity of RideECO and similar transit voucher programs, some human resources consultants and service providers are offering alternate programs like cash reimbursement programs. Greater record-keeping is required with cash reimbursement programs. IRS regulations are unclear regarding these alternatives and employers are advised to exercise caution in this area.

Special note for self-employed individuals

The IRS defines self-employed persons as individuals who are partners, sole proprietors, S-Corp. employees with two percent or more ownership, and independent contractors. They are excluded from Section 132(f). However, they are included under earlier “de minimis fringe” regulations and are entitled to a \$21 per month (\$252 a year) maximum tax-free transit benefit.

Please consult your accountant or tax attorney for further guidance.



RideECO Savings Calculator

Annual savings with \$265 maximum monthly participation

Locate your tax bracket in the chart:

2019 Federal Tax Bracket	Single (from - to)	Married (from - to)
10%	Up to \$9,700	Up to \$19,400
12%	\$9,700 - \$39,475	\$19,400 - \$78,950
22% (most common)	\$39,475 - \$84,200	\$78,950 - \$168,400
24%	\$84,200 - \$160,725	\$168,400 - \$321,450
32%	\$160,725 - \$204,100	\$321,450 - \$408,200
35%	\$204,100 - \$510,300	\$408,250 - \$612,350
37%	\$510,300+	\$612,350+

Federal Income Tax Bracket	10%	12%	22%	24%	32%	35%	37%
Federal Income Tax Saved	\$318	\$382	\$700	\$763	\$1,017	\$1,113	\$1,176
FICA Savings (Social Security + Medicare)	Social Security*	\$197	\$197	\$197	\$197	\$0	\$0
	Medicare	\$46	\$46	\$46	\$46	\$46	\$46
Total Annual Employee Savings	\$561	\$625	\$943	\$1,006	\$1,063	\$1,159	\$1,222
Percent Saved	18%	20%	30%	32%	33%	36%	38%

The savings from different benefit levels can be calculated proportionally.

In specific situations, further savings may result from other salary-linked costs, such as unemployment, disability, retirement, workers compensation, or wage taxes.

FICA taxes are 7.65%, a combination of Social Security and Medicare taxes.

* The Social Security tax limit is 6.2% for 2019 (up to \$132,900). Medicare is 1.45% with no limit.

RideECO-related tax savings for Social Security apply to employees earning up to \$132,900 annually.

This document does not constitute tax advice. Please consult a licensed accountant or tax attorney for specific advice.

See our tax calculator at www.RideECO.org.



Tips for Employees

If you commute on public transit or in vanpools, RideECO is a program that will help you save money.

- RideECO offers vouchers that you can use to buy passes, tickets, or fare card loads for your commute on public transit, whether by bus, train, trolley, or vanpool.
- RideECO vouchers come in variable denominations in whole dollar amounts ranging from \$15 to \$265. Your employer will decide which denominations to offer.
- RideECO vouchers are accepted by all area transit providers, including SEPTA, NJTransit, PATCO, DART First State, Amtrak, and vanpool services. See RideECO.org for a complete list of participating transit agencies.
- You cannot use RideECO vouchers to pay your fare when boarding public transit. You must use RideECO vouchers in advance of actual travel by buying fare card loads, passes, or tickets.
- RideECO vouchers are accepted at most authorized sales locations where tickets, fare card loads, or passes are sold. Contact your transit provider to find the sales locations that are most convenient for you.
- Note: PATCO FREEDOM Card users can redeem their RideECO vouchers in one of two ways: 1. in person at the Broadway or Woodcrest stations or 2. by mailing RideECO vouchers to PATCO. Speak to your employer about electronic uploads; some may offer this service.
- If your employer offers RideECO through pre-tax payroll deductions, you can set aside up to \$265 a month from your salary in exchange for RideECO vouchers. Your payroll department will take the money out of your paycheck. When you buy RideECO vouchers through pre-tax payroll deductions, you won't pay Federal Income or FICA payroll taxes on the money you set aside. Depending on your tax bracket and level of participation, you can save more than \$900 a year!
- Think about how much you spend on transit each month. Keep in mind that you will not get change back when you redeem RideECO vouchers.
- Each RideECO voucher has an expiration date printed on it. RideECO vouchers are good for 13 months from the date of issue. Make sure to use your RideECO vouchers before they expire because they cannot be replaced or exchanged.
- You may redeem up to **ten** RideECO vouchers at one time.
- Handle your RideECO voucher with care. It will not be accepted or replaced if it has been tampered with or is worn or torn. Nor will it be replaced if it is lost or stolen.
- Ask your employer first if you have questions about RideECO.

For more information about RideECO, please visit www.RideECO.org.