

# 2018 Commuter Benefits Tax Savings Calculator



# How to Calculate Employee Savings

1. Locate your federal tax bracket (%) in Table 1 based on your annual household income (22% is the most common\*).
2. Locate your tax bracket column in Table 2, and follow it down to see a breakdown of your transit or parking savings.

**Table 1 - 2018 Federal Tax Brackets**

%	Household Income Range	
	Single (From - to)	Married (From - to)
10%	Under - \$9,525	Under - \$19,050
12%	\$9,525 - \$38,700	\$19,050 - \$77,400
<b>*22% (most common)</b>	\$38,700 - \$82,500	\$77,400 - \$165,000
24%	\$82,500 - \$157,500	\$165,000 - \$315,000
32%	\$157,500 - \$200,000	\$315,000 - \$400,000
35%	\$200,000 - \$500,000	\$400,000 - \$600,000
37%	\$500,000 and above	\$600,000 and above

**Table 2 - 2018 Commuter Benefit Tax Savings (Based on \$260/month = \$3,120/year)**

Federal Income Tax Brackets (22% is most common)	10%	12%	*22%	24%	32%	35%	37%
Federal Income Tax Saved	\$312	\$374	<b>\$686</b>	\$749	\$998	\$1,092	\$1,154
FICA Savings (Social Security & Medicare)	Social Security	\$193	<b>\$193</b>	\$0*	\$0*	\$0*	\$0*
	Medicare	\$45	<b>\$45</b>	\$45	\$45	\$45	\$45
State/City Income Tax Saved (varies by state; assumes 6%)	\$187	\$187	<b>\$187</b>	\$187	\$187	\$187	\$187
<b>Total Annual Employee Savings</b>	<b>\$737</b>	<b>\$799</b>	<b>\$1,111</b>	<b>\$981</b>	<b>\$1,230</b>	<b>\$1,324</b>	<b>\$1,386</b>
Percent Saved	23.6%	25.6%	<b>35.6%</b>	31.4%	39.4%	42.4%	44.4%

## How to Calculate Employer Savings (Based on \$260/month = \$3,120/year)

Annual Employee Salary	\$128,400 or less	\$128,401 or more
FICA Savings	Social Security	\$193
	Medicare	\$45
<b>Total Annual Employer Savings</b>	<b>\$238</b>	<b>\$45</b>
Percent Saved	7.65%	1.45%

The savings from monthly benefit levels below \$260 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.

The Social Security tax limit (Employee - 6.2% and Employer - 6.2% up to \$128,700 for 2018) also rises annually. Medicare is 1.45% with no limit. In addition, wages paid in excess of \$200,000 for Single filers (and 250,000 for Married filing jointly) are subject to an additional 0.9% Medicare tax. Employers will not pay this additional Medicare tax.

\*\$193 annual savings in employee Social Security tax also applies to Single's bracket in the 22% bracket with income below \$128,400, and for spouses earning less than \$128,400 in the 24%, 32%, 35% or 37% married brackets.

**Consult your tax advisor for specific advice.**

## Relationship Between Employee Participation Rates & Payroll Tax Savings

