



AMERICAN
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TRANSIT NEWS

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COMPANIES GO GREEN BY PROVIDING TRANSIT COMMUTER BENEFITS *Transit Benefits Increase to Maximum \$115 per Month Starting January 1, 2008*

Using public transportation is one of the most effective ways to reduce greenhouse gases, and starting on January 1, 2008, companies can be environmentally responsible by providing their employees with tax-free transit commuter benefits up to \$115 a month. (The previous maximum was \$110 a month.) The transit commuter benefits are still less than the amount given in parking commuter benefits, which will increase by \$5 to \$220 a month in 2008.

According to federal legislation, an employee can receive the transit commuter benefit in three ways. The first way is to receive up to \$115 a month in tax-free benefits paid by the employer. How much an individual receives depends on the cost of the transit commute. This benefit will pay for commuting costs on all modes and combinations of public transportation and vanpool commuting costs.

The second way is for employees to pay for commuting costs using pre-tax payroll deductions. Similar to flexible medical or child-care accounts offered by an employer, the transit commuter benefit program allows employees to use pre-tax dollars to pay for commuting costs. Starting in January, employees will be able to take pre-tax payroll deductions up to \$115 per month.

In addition, a combination of the two programs can be used.

While it is important to employ environmentally-friendly household activities to reduce carbon dioxide, commuting by public transportation makes a more substantial impact. According to a recent study by SAIC titled *Public Transportation's Contribution to U.S. Greenhouse Gas Reduction*, taking public transportation is a very effective way to reduce a household's carbon footprint. If one commuter of a household switches his or her daily driving to using public transportation, the household carbon footprint decrease by 10 percent.

An individual switching to public transit can reduce his or her daily carbon emissions by 20 pounds; that's more than 4,800 pounds in a year. This is far greater than the many actions people are being encouraged to take, for instance:

- Home weatherizing and adjusting the thermostat for heating and cooling saves 2,847 pounds of carbon per year. Transit use saves almost twice that amount of carbon.

- Replacing five incandescent bulbs to lower-wattage compact fluorescent lamps saves 445 pounds of CO₂ per year. Transit use saves more than 10 times the CO₂.
- Replacing an older refrigerator-freezer with a high-efficiency one saves 335 pounds of CO₂ per year. Taking public transportation saves more than 14 times the carbon.

Employers interested in starting a transit benefit program can find helpful information at the Best Workplaces for Commuters web site at www.bestworkplaces.org, which also lists a variety of companies, including top Fortune 500 companies, which offer transit benefits.

For more information on transit benefits, go to
http://www.publictransportation.org/reports/asp/pays_to_ride.asp

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