



## The Tax-Free Employee Benefit

### Transit Benefits Tax Savings Calculator

Locate your tax bracket in the chart below

2004 Federal Tax Brackets	Married From – to	Single From – to
10%	Under \$14,300	Under \$7150
15%	\$14,301 - \$58,100	\$7151 - \$29,050
<b>25% (most common)</b>	<b>\$58,101 - \$117,250</b>	<b>\$29,051 - \$70,350</b>
28%	\$117,251 - \$178,650	\$70,351 - \$146,750
33%	\$178,651 - \$319,100	\$146,751 - \$319,100
35%	\$319,101 and above	\$319,101 and above

### Employee Savings

**Employee Savings @ \$100/mo. = \$1200/yr.**

Locate your tax bracket column and follow it down to see a breakdown of you savings

Federal Income Tax Brackets (25% is most common)	10%	15%	<b>25%</b>	28%	33%	35%
Federal Income Tax Saved	\$120	\$180	<b>\$300</b>	\$336	\$396	\$420
FICA Savings (Social Security + Medicare)	Social Security	\$74	<b>\$74</b>	\$0*	\$0*	\$0*
	Medicare	\$17	<b>\$17</b>	\$17	\$17	\$17
State/City Income Tax Saved (varies by state; assumes 6%)	\$72	\$72	<b>\$72</b>	\$72	\$72	\$72
<b>Total Annual Employee Savings</b>	<b>\$283</b>	<b>\$343</b>	<b>\$463</b>	<b>\$425</b>	<b>\$485</b>	<b>\$509</b>
Percent Saved	23.6%	28.6%	<b>38.6%</b>	35.4%	40.4%	42.4%

### Employer Savings

**Employer Savings @ \$100/mo. = \$1200/yr.**

		Annual Salary \$87,900 or less	Annual Salary \$87,901 or more
FICA Savings (Social Security + Medicare)	Social Security	\$74	\$0
	Medicare	\$17	\$17
<b>Total Annual Employer Savings</b>		<b>\$91</b>	<b>\$17</b>
<b>Percent Saved</b>		<b>7.7%</b>	<b>1.5%</b>

The savings from monthly benefit levels below \$100 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 (6.2% up to \$87,900 for 2004) also rises annually. Medicare is 1.45% with no limit.

\*\$74 annual savings in employee Social Security tax also applies to singles in the 30% bracket with income below \$87,900, and for spouses earning less than \$87,900 in the 28%, 33% or 35% married brackets.

**Consult tax advisor for specific advice.**