

**PRE-TAX SALARY  
TAX ADVANTAGES OF SMARTBENEFITS® TRANSIT**

Assumptions: Employee pays 28% in federal income tax.  
Employee pays 6% in state income tax.

If an employer provides SmartBenefits® to an employee at the maximum of \$125 per month (\$1,500 per year) through *pre-tax salary deduction*, this is the cost to the employee:

<b>Employee Costs</b>	<b>Private Employer</b>
Cost of SmartBenefits®	\$1,500.00
Federal Income Tax Saved	(\$ 420.00)
Employee FICA 7.65% Saved	(\$ 114.75)
State Income Tax Saved	(\$ 90.00)
<b>Total Cost to Employee</b>	<b>\$ 875.25</b>

This is the cost **SAVINGS** to the employer:

<b>Employer Costs</b>	<b>Private Employer</b>
Base Amount Paid to METRO for SmartBenefits®	(\$1,500.00)
Money Deducted From Employee Salary to Pay for SmartBenefits®	\$1,500.00
<b>Actual Cost to Employer</b>	<b>\$ 000.00</b>
Employer FICA 7.65% Saved	\$ 114.75
Employer Unemployment Tax Saved*	\$ 90.00
<b>Net Savings to Employer Compared to Cash Salary Payment</b>	<b>\$ 204.75</b>

\*Federal Unemployment Tax payable on first \$7,000 of each employee's salary per year.