

**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 \$255 per month (\$3,060 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®	\$3,060.00
Federal Income Tax Saved	(\$ 856.80)
Employee FICA 7.65% Saved	(\$ 234.09)
State Income Tax Saved	(\$ 183.60)
<b>Total Cost to Employee</b>	<b>\$1,785.51</b>

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

<b>Employer Costs</b>	<b>Private Employer</b>
Base Amount Paid to METRO for SmartBenefits®	(\$3,060.00)
Money Deducted From Employee Salary to Pay for SmartBenefits®	\$3,060.00
<b>Actual Cost to Employer</b>	<b>\$ 000.00</b>
Employer FICA 7.65% Saved	\$ 234.09
Employer Unemployment Tax Saved*	\$ 183.60
<b>Net Savings to Employer Compared to Cash Salary Payment</b>	<b>\$ 417.69</b>

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